

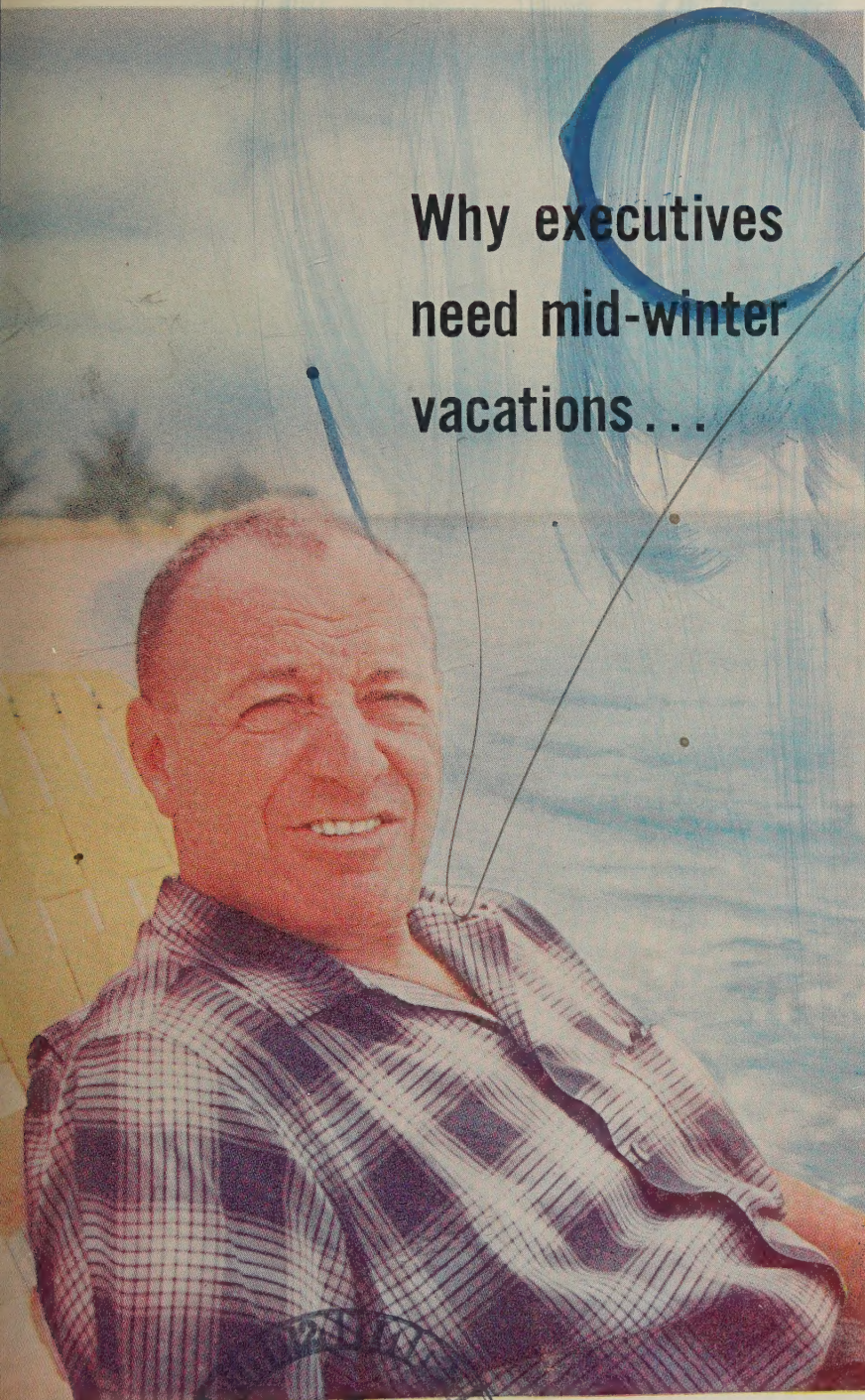
Management

JANUARY 1961

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METHODS

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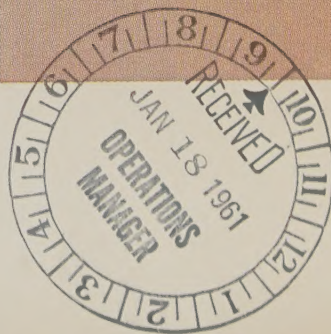
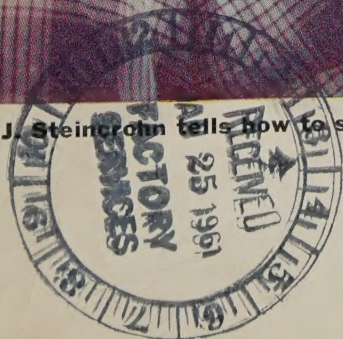
OVERTIME

4 ways to
pay salaried
people for it

CHARITY

How corporations
cope with it

Dr. Peter J. Steinbrunn tells how to stop your job from killing you
page 32



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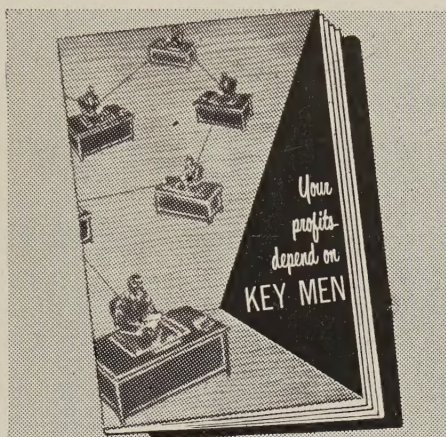
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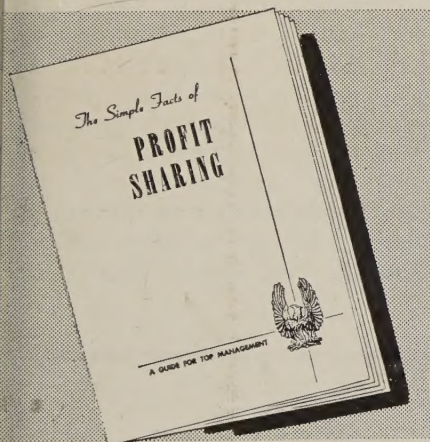
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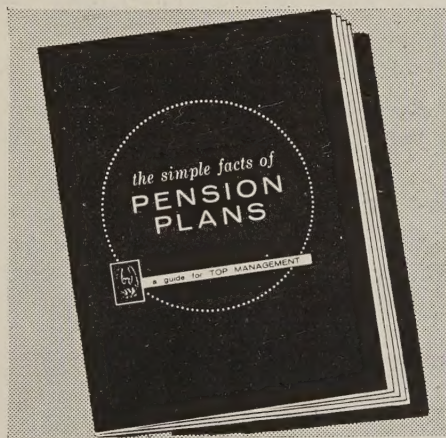
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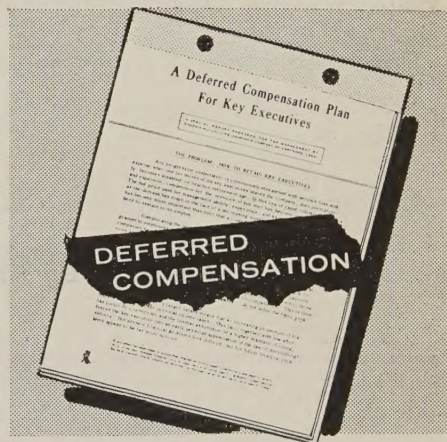
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January 1961

How to stop your job from killing you	38
<i>Tension can kill you. But this doctor says you can beat tension—without exercise. His surprising prescription: relax and enjoy the pleasures of the good life.</i>	
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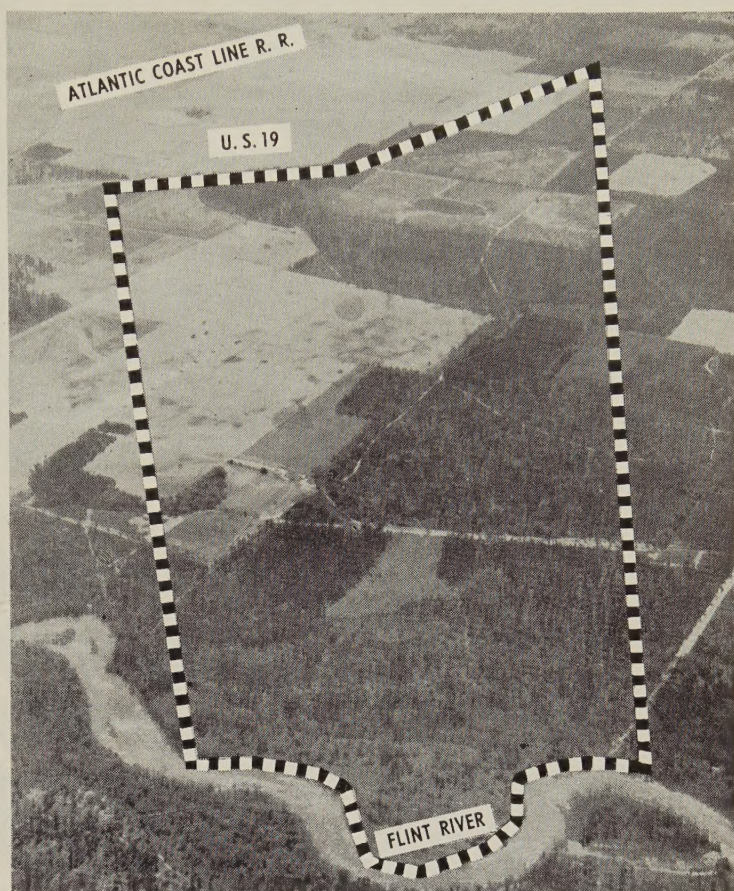
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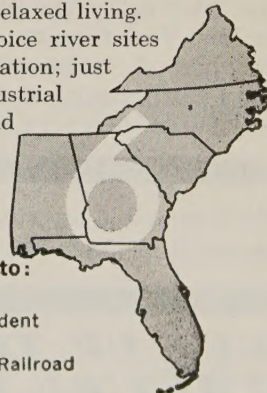
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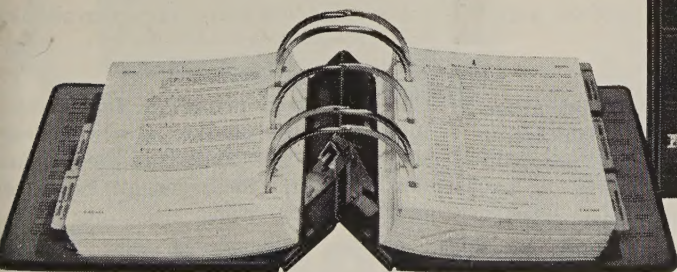
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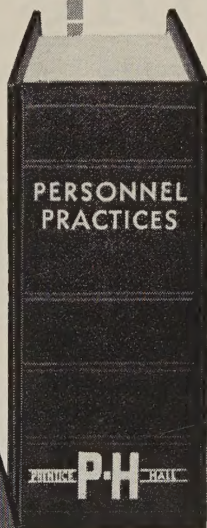
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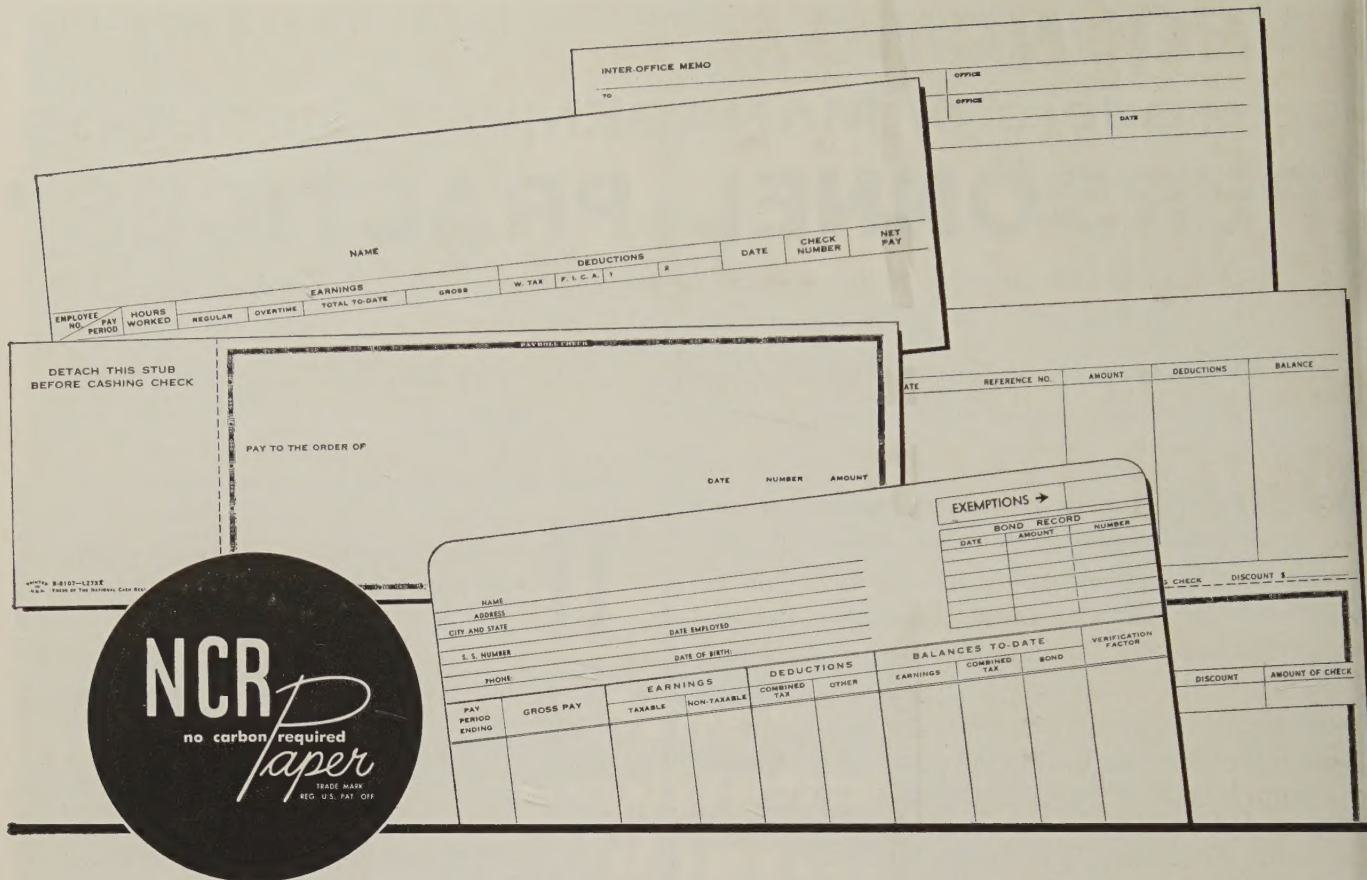
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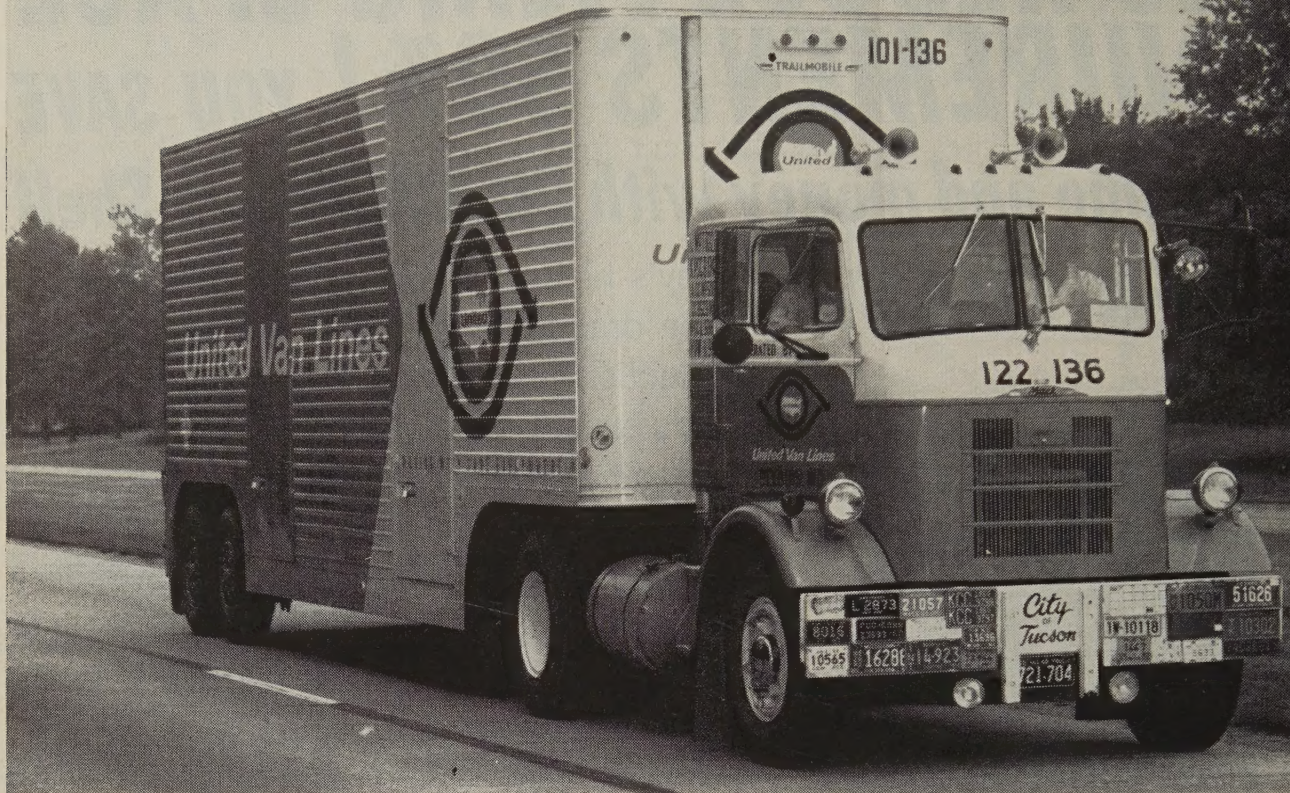
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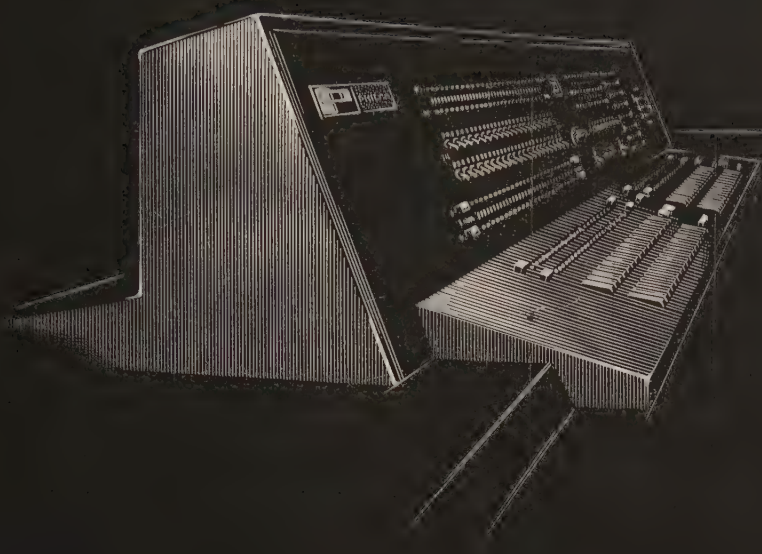
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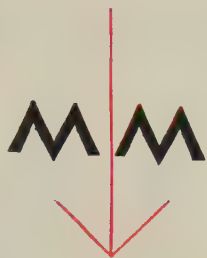


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Letters

WHY ONE VICE PRESIDENT FLIES A COMPANY PLANE

"I'll never use my car for business again," says Robert O. DuPont, vice president of American Greiner Electronic Inc., Stamford, Conn. This is one comment taken from Mr. DuPont's letter to MANAGEMENT METHODS, commenting on the October article, "Is now the time for you to consider a company plane?" Mr. DuPont, who has been flying a little over a year, gives several key pointers to anyone who is considering a company plane. His letter follows:

SIR: In contrast to the firms whose problems are discussed in your article, we are a very small organization. But we have to cover the entire United States and Canada. I came over from Switzerland three years ago and had to set up a service organization for our electronic equipment in the watch and clock factories. As our contacts are spread all over the country, I had to drive an average of 70,000 to 80,000 miles a year by car, and had to fly another 50,000 miles by commercial airplane. This amount of travel took about 250 days with 12 to 14 hours a day, just to make the necessary distance. I was extremely limited in working time and my time for relaxation was nil. As I am already 51 years old, the decision to make all these trips by company airplane was not quite easy. But it was a necessity. So far, our experiences during the first year have been very good. During 1960 I could fly the same trips in about 650 hours, or an average of three hours per working day, and with much more time left for my creative work.

We have found that the operating expenses indicated by the airplane manufacturers [in your article] are very accurate.

I often wonder why nobody talks about this problem: the piloting of a small airplane for long distance and for scheduled trips under all weather conditions. People who believe in the slogan of the airplane manufacturers, "You just drive into the sky," are in for a big disappointment as soon as extensive travelling is necessary. This might be all right for pleasure trips around the home airport in good weather. But our first try with the smaller plane was a disappointment. It was not fast enough, it did not have enough space for the necessary radio equipment, and it did not climb high enough to cross the Rockies and fly over marginal weather. We had to purchase a Cessna 210 with an average of 180 miles an hour, a ceiling of 20,000 feet, retractable gear, radio equipment for about \$5,500, oxygen equipment and so on, in order to get the necessary performance. This is an investment of over \$30,000. I still have no glide slope receiver and automatic pilot, which will cost an extra \$3,000.

The costs of a company pilot, with a salary of \$10,000 to \$12,000 a year, and 200 days with \$20 daily for road expenses, would have doubled our mileage expenses. As a consequence, I had to go into extensive flight training and I am still working on my instrument license. The necessary studying for navigation, radio communications, meteorology and the careful planning of my trips with the Jeppesen Airway Manuals has taken most of my free time during this first year of operation.

I know by now that even the extremely good Cessna 210 is not the right airplane for solid instrument flying. I try to avoid flying over zero conditions, but this is not

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always possible when you have to maintain a schedule. Also, night flying involves such a calculated risk that I try to avoid it. Certainly a twin engine plane would be a solution to this problem, but the mileage expenses, again, would be doubled. I can only hope that the so-called, "light, light twin," which is now planned by Cessna, is the answer to my problems. But I will have to go on as it will be an additional year or two before we can afford to purchase a twin engine plane. Until then, I try to fly as high as possible over the weather in order to have as much range as possible just in case that my one engine only, but very reliable, Continental engine should leave me alone one day.

There is another human factor involved in flying. You definitely have to like it, or love it, or you had better leave it alone. I do admit that during my first flights over and around thunderstorms, and during my first experiences with icy conditions and bad visibility, I was frankly scared to death. Most of that is overcome by now. The trip becomes more and more routine the longer I fly my route and become familiar with radio procedures, instrument landing systems and approaches, and the more I gain confidence in my airplane and in my own abilities.

I do not think that I would go back on the road, driving 12 to 14 hours a day, for any amount of money. I am absolutely convinced that flying has doubled my productivity for my firm and myself.

ROBERT O. DUPONT, VICE PRESIDENT
AMERICAN GREINER ELECTRONIC, INC.
STAMFORD, CONNECTICUT

E is for error

SIR: I find it difficult to reconcile some of the rather revolutionary concepts set forth in the article "How to write better" [MM, Nov. '60], with the rules and standards generally recognized and accepted as substantive criteria in this field.

It's particularly difficult for me to fully agree with the contention that it is not necessary to unflinchingly stick [your split infinitive, Mr. Brawley, not MM's] to form rules. And you suggest that a preposition is a permissible word to end

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Pinellas Park
Safety Harbor
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St. Petersburg Beach
Tarpon Springs



Which National Lease plan fits your trucking needs?

LEASE A NEW CHEVROLET

or other fine truck
and operate it as
your own, with no
investment, no
upkeep, no head-
aches!

© 1961 NTL

THE CHANGE-OVER PLAN—We take over all of your present truck and maintenance problems, help you reorganize your truck facilities and personnel. We supply you with new vehicles, engineered and painted to your exact requirements, or will buy and recondition your present fleet.

THE ADD-A-TRUCK PLAN—As your business expands, don't use vital capital for more trucks, *lease* new ones as needed.

THE TRUCK RETIREMENT PLAN—As each truck in your fleet needs replacement, instead of buying a new one, *lease* it. In a few years all *your* vehicles are leased.

THE PILOT PLAN—Instead of switching from ownership to leasing in all locations, select one location (or division) for a "pilot" operation using full-service leased trucks, comparing costs and headaches with trucks which you still own and maintain.

LEASE FOR PROFIT—NATIONLEASE full-service truckleasing supplies everything but the driver. Licensed, insured trucks, engineered and painted to your needs, garaged and expertly maintained. ONE invoice, NO worries. Devote your full time, ALL your capital to your own business!



National know-how; local controls—write for literature.

NATIONAL TRUCK LEASING SYSTEM

Serving Principal Cities in the U.S. and Canada

23 E. JACKSON BLVD., SUITE M-1, CHICAGO 4, ILL.

(Circle number 155 for more information)

a sentence with! I don't know what you want to bring such a strange set of rules to be quoted from out of up for!

And I'm equally disturbed about the grammar. After all, grammar is grammar whether you trace it or not. Even Pogo's friend, Bewildered (brother of Bewildered and Bothered) recognized this when he incensed at hearing bad grammar said:

"Do you herd sheep?" Ol' Grammarma cried . . .

My grampa leapt in fright . . .

"THAT GRAMMAR'S WRONG!" to me he sighed

"HAVE you heard sheep . . . if right!"

JOHN BRAWLEY
TRANS WORLD AIRLINES, INC.
ST. LOUIS

■ The red-faced proofreader who failed to spot the "e" in grammar is being punished with a lunch-hour assignment of copying that word correctly 999 times.

EDITOR

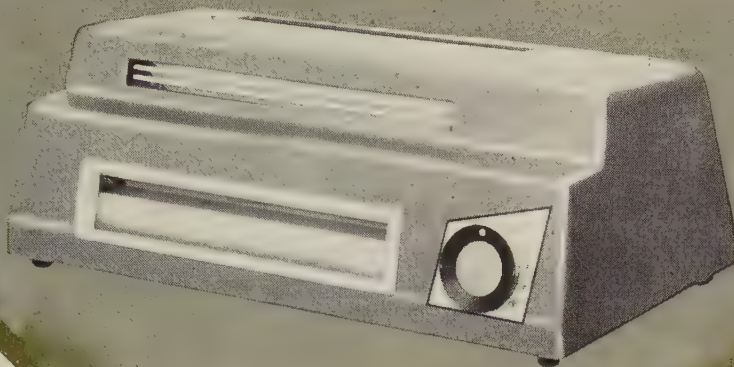
Kudo

SIR: Congratulations on a difficult job well done. Your article, "Why the big swing to airfreight?" [MM Nov '60] is the most lucid and comprehensive summary of this important subject that I have seen for some time.

As a recent "convert" to the tenets of air distribution, I can vouch for the authenticity of your article. Air distribution—airfreight plus swift communications, plus improved inventory handling and control—can bring a company many benefits.

Raytheon, with the assistance of American Airlines, has used air distribution this year to cut costs, increase profits, and improve customer service. This progress has resulted in a brighter profit picture. Many firms representing a variety of industries have shared our experience. And, I predict, many others will be joining us in the near future.

JOHN T. THOMPSON
GENERAL MANAGER
RAYTHEON COMPANY
WESTWOOD, MASS.



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dryest
liquid
since
the dry
martini!

Take a dash of compactness, lace with new improvements, mix in a jigger of economy and, as a crowning touch add the photocopy liquid you never see! Presto!

Photorapid ELECTRAMATIC PHOTOCOPY MACHINE

Here is the machine that gives you . . .
Chemical cartridge loading • No mixing, no pouring • You never see the liquid • Triple life to photocopy developer • Plug-in convenience • The finest photographic prints ever • Uniform copies every time

LOADS LIKE A GUN!

All you do is place the sealed developer cartridge in the PHOTORAPID ELECTRAMATIC, turn it on, and start photocopying. Turn it off and the developer automatically flows back into the cartridge. No mess, no fuss, no chemicals left out to slosh around and lose potency.

VERSATILE BEYOND COMPARISON

The PHOTORAPID ELECTRAMATIC skips nothing—copies everything . . .
... permanently!

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BETTER COPYING SYSTEMS FOR EVERY BUSINESS

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Yours for the asking

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Daily time planner for 1961

Here's a simple aid to help you plot and visualize daily activities as much as a year in advance.

A single sheet, folded to file size, has spaces for each day to flag appointments and trips. Six months' commitments can be viewed at a glance.

For your free 1961 Executive Time Planner, designed by Barrington Associates, Inc., circle number 255 on the Reader Service Card.

Filing-in-the round

How Roto-filing saves space and personnel is the subject of a new 32-page booklet by Wassell Organization, Inc.

The piece includes suggested

floor plans for filing departments and illustrated case histories of efficient filing installations.

For your free copy of "Work Organizers," circle number 211 on the Reader Service Card.

Kentucky as a home base

Industrial opportunities and advantages of Kentucky are detailed in a new 52-page illustrated booklet offered by the Kentucky Department of Economic Development.

Assets and facilities described include transportation, raw materials, manpower, power resources, research and financing plans.

For your free copy of this booklet, circle number 221 on the Reader Service Card.

Worth paying for . . .

Top management handbook . . . The art and science of managing based on the experiences and thinking processes of 60 representative business leaders. Edited by Dr. H. B. Maynard, 1,248 pages, \$17.50. Order from McGraw-Hill Book Co., 327 W. 41st St., New York 36.

Management of the physical distribution function . . . Case supported guide on how to cut distribution costs by integrating the entire distributing operation. Published by American Management Association, 200 pages, \$5.25. Order direct from the AMA, 1515 Broadway, New York 36.

Trademark selection . . . the management team method. Nine experts discuss the legal, marketing, advertising and public relations considerations in choosing a trademark; 92 pages, \$2. Order from the United States Trademark Association, 6 East 45 St., New York 17.

Idea tracking . . . By analyzing the anatomy of creativity, Author Frank A. Armstrong shows simply and logically the five basic steps necessary for intelligent thinking and problem solving; 146 pages, \$4.95. Order from Criterion Books, Inc., 6 W. 57th St., New York 19.

How to produce a film

Pointers on how to plan and produce a business film are given in a 16-page booklet prepared by G. M. Basford Co.

It treats research, script writing, film and sound production, editing and publicizing.

For a free copy of this film-making guide, circle number 222 on the Reader Service Card.

Space saving furniture

Multiple furniture arrangements are possible with the modular steel furniture, attractively styled by Bentson Manufacturing Co.

The eight-page, four color brochure includes groupings for private offices, secretarial stations and space saving general office installations.

For your free copy of Bentson's booklet, circle number 238 on the Reader Service Card.

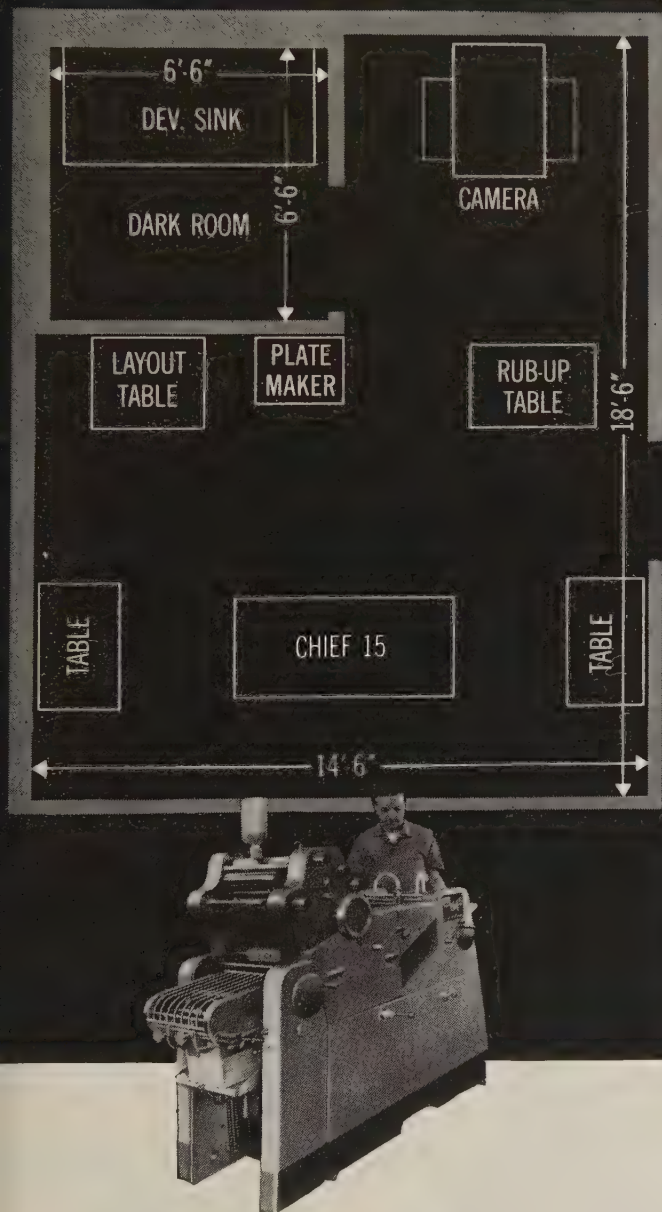
Heat cost calculator

A slide rule provides instant answers to the number and size of heaters necessary for any given square footage.

Savings realized by using The mobloc direct fired warm air heaters are also indicated on the device.

For this free heat calculator write direct to The Wanson Corp., Charles and Juniata Streets, Lehigh, Pa.

This profitable offset department can be YOURS for less than a dollar an hour!



For less than a dollar per *working hour*, you can purchase a complete ATF offset department, including: press, camera, darkroom sink, negative layout table, platemaker, and utility table. If you have some seldom-used equipment to trade in, chances are you will need little or no down payment.

Or you can lease the complete "package"—or any part of it—without trading in any equipment or making a down payment.

Either way, you get brand new equipment—and only what you need—on the easiest terms. You can pay as you go and make a profit as well.

Heart of this plan is the ATF Chief 15, the small press with the big press features...the press which has been chosen by over 1500 professional printers. You can see this press and the related "package" equipment in operation at your nearest ATF Branch Office; or your ATF Representative will supply full details, including a folder, "How to Set Up for Offset," which outlines various plans and choices of equipment. If you prefer, use the coupon below.



ATF Type Faces used in this advertisement: heads, Craw Clarendon; text, Bodoni Book; coupon, News Gothic Condensed.

American Type Founders

(Circle number 122 for more information)

American Type Founders, Dept. D
200 Elmora Avenue, Elizabeth, N. J.

I'm interested in your "Offset Package Plans" on a ☐ purchase
☐ lease basis.

Name _____ Title _____

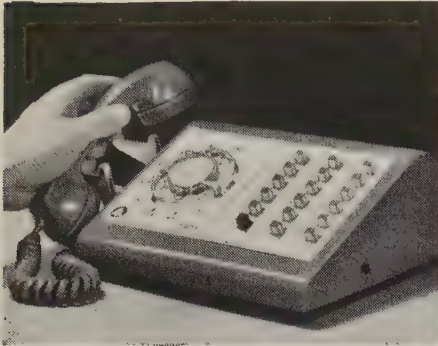
Company _____

Street and Number _____

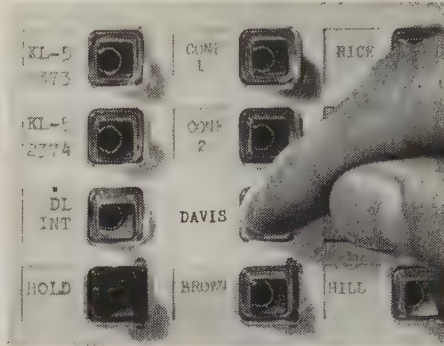
City _____ Zone _____ State _____

(If you have trade-in equipment, list descriptions, models, serial numbers)

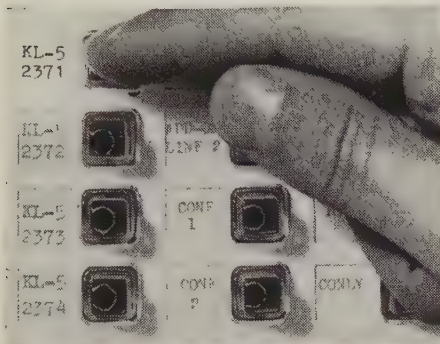
Only the Bell System puts all these intercom features right at your fingertips



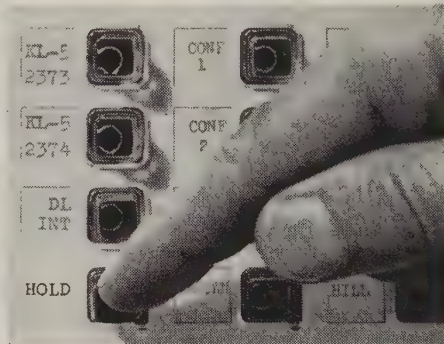
This is the versatile Call Director...



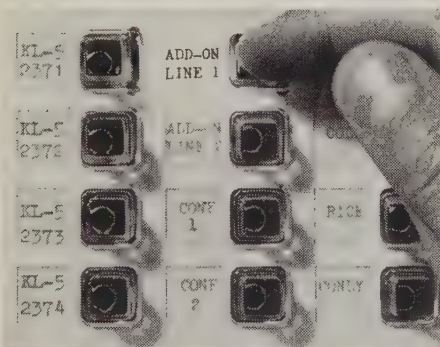
...the latest in pushbutton communications



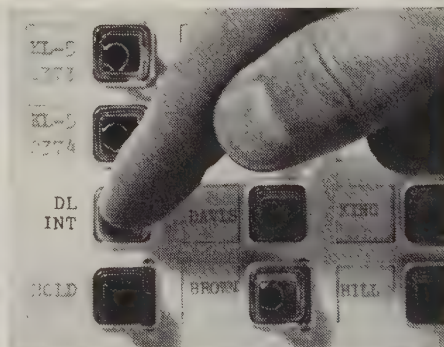
...serves your outside and inside needs



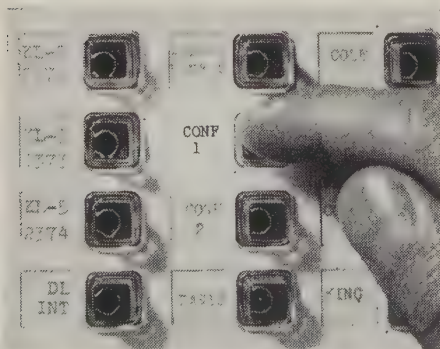
...holds a call while you make others



...adds inside stations to outside calls



...gives you maximum intercom flexibility



...sets up six-way telephone conferences.



Ask our Communications Consultant about it!

You're looking at the Call Director, a *versatile, low-cost* communication system, in one compact unit, that will meet all your external *and* internal communications needs.

We said *versatile*. You reach your key people simply by pushing a button or by dialing just a single digit. You can hold calls while making other calls, add an inside extension to an outside call, set up six-way telephone conferences. A flashing light lets you know if someone tries to reach you while you're talking. The equipment automatically connects you to "busy" inside phones when they are free. It gives you complete intercom *privacy*.

These are *flexible* features. The system can be changed as your needs change. You can have 18-button or 30-button models, in a choice of colors.

We said *low-cost*. You don't invest a penny of your own capital. You get expert maintenance—at no extra cost. And this *one* compact installation meets *all* your needs. No other expense. No excess equipment to clutter desks.

Get complete details from our Communications Consultant. He knows business communications inside-out. His experience, based on the Bell System's 80 years in this field, is yours for the asking. Just call your Bell Telephone Business Office. No obligation, of course.

BELL TELEPHONE SYSTEM



MM

Do you know
the law on

Good Samaritans

Are they liable for services rendered?

Question—Is a manufacturer or dealer liable for injuries caused by mistakes he made in rendering gratuitous services or instructions?

Answer—Yes. Anyone who voluntarily advises or renders service to another is responsible for that advice or service. If volunteered advice is inaccurate, or gratuitous services are poorly performed, the "good samaritan" may have to pay damages to those injured by his mistakes.

Case one—Here is a precedent for the above ruling. A wholesaler bought 905 bags of beans. He was to pay for the beans according to their weight. Public weighers, employed and paid by the seller, certified that the weight of the beans was 228,380 pounds. When the wholesaler attempted to sell the beans, he found the actual weight was 216,726 pounds—11,654 pounds short of the certified weight. He sued the weighers for failure to perform their services properly, and won. For its ruling, the court turned to an old English decision governing the liability for voluntary services or instructions. It states that where one may not be liable for the non-performance of an act, he is nevertheless liable for misperformance "when once he has undertaken to perform."

"It is the duty of every artificer," said the court, "to exercise his art rightly and truly as he ought. The surgeon who unskillfully sets the wounded arm of a child is liable for his negligence although the father pays the bill. The custodian who is careless in the keeping of the goods which he received as those of A does not escape liability though the deposit may have been made by B."

"It is ancient learning that one who assumes to act, even though gratuitously, may thereby become subject to the duty of acting carefully."

Glanzer v. Shepard, 135 N.E. 275, New York, April 1922.

Case two—The manufacturer of gas conversion burners gratuitously furnished a four-page pamphlet of instructions with each unit he sold. Nothing in these instructions, however, indicated the open or closed position of the pilot cock or the main hand valve.

After one installation, attempts were made to start

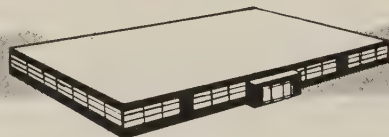


Leading industrialists are using . . .



Rhode Island's 100% FINANCING PLAN

For Plant Expansion
Without Capital
Investment



Rhode Island's unique 100% Lease-Purchase Financing Plan has been in operation since January 1959. During this relatively short period of time nearly 11 million dollars in new plant construction has been approved and guaranteed by the State of Rhode Island.

These plants represent over 1,270,000 square feet of new manufacturing space, now either completed and in operation or currently under construction. This is positive proof that industry management considers Rhode Island's 100% Financing Plan to be practical, workable and financially sound.

We invite your consideration of Rhode Island as a location for your new plant or branch operation. Excellent sites and building shells are available — and of course, Rhode Island's 100% Financing Plan is available to you for immediate expansion.

*Write for new 100% Financing
Plan booklet and complete details.*

**Names proudly given on request!*

Rhode Island Development Council

108 Roger Williams Building,
Hayes Street, Providence, Rhode Island

(Circle number 146 for more information)

EVERY SALESMEN'S CAR PLAN REQUIRES CONTROL !

But, Only the Unique PHH Plan Gives You the Right Kind of Control

Salesmen Ownership—Almost impossible to control because of the tendency of management to over allow to meet continuing pressure from salesmen for higher allowances. The PHH Plan eliminates these problems to the complete satisfaction of both the company and its salesmen.

Company Ownership—While this plan solves many of the problems of salesmen's ownership, it presents a whole new set of problems in administration and cost control. The PHH services provide efficient administration for such a plan and the means for controlling its cost.

Leasing or Rental—While many such plans answer the objections to salesmen ownership or company ownership, they can be extremely costly. The PHH Plan enables companies to enjoy the advantages of leasing and still keep costs to a controlled minimum.

Find out why more than 500 leading companies in business and industry are using the PHH Plan to good advantage . . . and how our services can benefit you in your operations. Call or write for full information and a copy of our brochure entitled "A Look Into the Peterson, Howell and Heather Car Plan".



PETERSON, HOWELL & HEATHER, INC.

Complete Management Services for
Salesmen's Car Plans

2521 North Charles Street—Department B-7
Baltimore 18, Maryland

In Canada—3970 Cote des Neiges Rd.,
Montreal 25, P.Q.

(Circle number 114 for more information)



the burner by following the enclosed instructions. explosion followed, and one man was killed.

The court ruled against the manufacturer. It said: "Where a manufacturer undertakes by printed instructions to advise of the proper method of using his product, he assumes the responsibility of giving accurate and adequate information with respect thereto and failure in this respect may constitute negligence."

Hartmon v. National Heater Co., 60 N.W. 2nd 80 (Minnesota, Oct. 30, 1953).

Case three—A 16-foot skiff with four passengers aboard was swamped in Biscayne Bay about 500 yards off the coast of Florida. A U. S. Coast Guard helicopter was on patrol duty in the area to give aid to boats in need of assistance. For air-sea rescue work, it was equipped with a cable and hoist.

When the skiff capsized, the pilot of the helicopter ordered a crewman with no training in air-sea rescue work to handle the rescue operation. A cable was dropped from the helicopter. The two men from the capsized boat struggled to attach the sling of the cable to one of the woman victims. Before they had finished, the inexperienced seaman began reeling in the cable. The woman had to hang to the life belt by her hands.

Just as her head and shoulders were at the door of the helicopter, the crewman stopped the hoist. The



woman lost her grip, fell back into the bay and was drowned. Her surviving husband sued the United States.

Ruling in his favor, the court said, "The Coast Guard affirmatively took over the rescue mission excluding others therefrom and thus not only placed the victim in a worse peril than when it took charge, but negligently brought about her death.

"It is hornbook law that under such circumstances the law imposed an obligation upon everyone who attempts to do anything, even gratuitously, for another not to injure him by the negligent performance of the which he has undertaken."

U. S. v. Lawter, 219 Fed. 2d 559, Florida, March 2, 1955.

New!

Photocopier that does "everything"!

Now concentrate all copying jobs in one versatile machine! For low cost and high speed—for quality copies and volume production—the brand-new PHOTOSTAT 10.14 Photocopier has no equal! It will be the heart of your central reproduction operation for years to come!

Push-button control assures a simple, convenient operation—top-notch results every time. Copies colors, solids, half-tones, carbons, pencil lines on originals up to 20" x 28". Semi-automatic focusing reduces with two simple adjustments to 50% and enlarges to 110%. The 10.14 delivers prints dry, trimmed, ready-to-use.

Trim, functional lines match the most modern office decor.

Optional: Microfilm Enlarger produces clear, sharp projection copies from microfilm on the spot without darkroom.



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PHOTOSTAT CORPORATION

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(Circle number 116 for more information)



Shown here: our #1204 executive posture chair. Fully adjustable for custom-fit comfort. Wide trim-line base for stability.

JUGGLE OFFICE SPACE WITH ROYAL

Only Royal gives you such quality, such flexibility, such comfort! The unique Royal concept of modular office furnishings gives you unusual flexibility in arranging your office space. Comfortable chairs by Royal, versatile Arnot Partitionettes* and Modular Desk Components—all combine to provide the most efficient use of your present office space. Easily installed—just as easy to rearrange. Write for brochure that pictures all the styles, all the sizes and colors. Just send a card or letter to ROYAL METAL MANUFACTURING COMPANY, Dept. 4-A, One Park Avenue, New York 16, N. Y. In Canada—Galt, Ontario.

SHOWROOMS: New York, Chicago, Los Angeles, San Francisco, Seattle, Galt, Ontario
 LICENSEES: France, England, Australia, Venezuela • FACTORIES: Plainfield, Conn., Michigan
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(Circle number 148 for more information)

Royal
 OFFICE FURNITURE

*T.M. REG. U.S. PAT. OFF.

MANAGEMENT METH



RCA announces... A New Direction in Lease Plans for Electronic Data Processing Equipment

RCA now offers a choice of *four* new lease plans that permit you to rent RCA Electronic Data Processing Equipment, and all the guidance and service that goes with it, *on a basis geared to your own particular usage requirements*. This major departure from customary leasing practice is another RCA innovation... an indication of RCA's responsiveness to the customer's needs.

TERMINE YOUR REQUIREMENTS...CHOOSE YOUR CONTRACT!

IF YOU REQUIRE ONLY EIGHT HOURS A DAY OF COMPUTING TIME, RCA offers you a contract at a rental which fits your situation precisely... and you may designate the shift you wish to operate.

FOR MAXIMUM ADAPTABILITY TO WORK SCHEDULES, the Random Use Contract allows you to schedule EDP operations at periods most convenient to you. A total of 200 hours of basic use-time per month is included in the charges.

FOR EXTENDED USE, where you require up to three full shifts, a basic monthly charge is made. The period covered in the contract is 24 hours a day for a 5 day week and the operating period can be enlarged to provide you with up to 16 additional hours per day for the 2 remaining days.

➔ **WHEN YOUR COMPUTER REQUIREMENTS GROW TO THE LEVEL OF THREE-SHIFT DAILY AND WEEKEND USE,** RCA's Unlimited Availability Contract may be utilized to provide all this service for a basic monthly charge. Use the equipment as much as you want!

RCA RELIABILITY... PROTECTS EQUIPMENT PERFORMANCE

Because of the high degree of reliability built into each RCA EDP System, all of the above lease agreements include primary shift maintenance of the equipment. Since RCA's Electronic Data Processing Systems have this unique built-in reliability, maintenance and service are kept to a minimum, you receive the advantage of a more attractive rate. Maintenance service beyond the primary shift is available at a flat rate per man-hour, as needed.

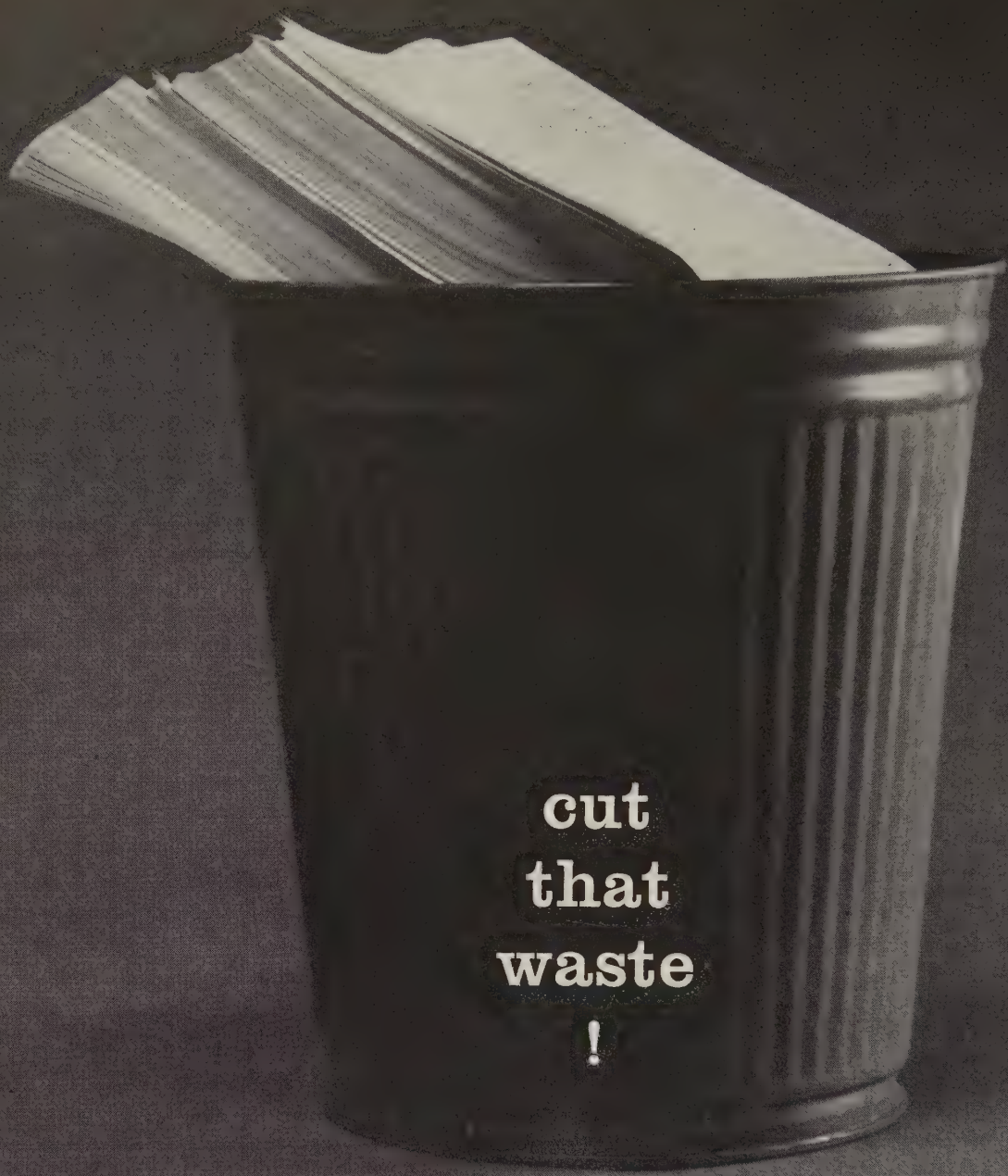
Take advantage of RCA's new contract arrangements to keep your paperwork at a minimum, your EDP quality at a maximum! For full details and rates, write Electronic Data Processing Division, Radio Corporation of America, Camden 2, N.J.



The Most Trusted Name
in Electronics

® RADIO CORPORATION OF AMERICA

(Circle number 144 for more information)



cut
that
waste

!

...with new Stan-Pak Run-Rite Papers

When too much of your duplicating run ends up in the wastebasket, it's time to ask questions. Often of the *paper*. Is it unevenly trimmed? Too moist or too dry? Does the caliper vary?

It's not always easy to tell. But now, with new Stan-Pak*Run-Rite*Papers, you can reduce your paper waste substantially.

Trouble-Free Running

Take *flatness*. We laboratory-test all our papers right on the duplicating machines they're made for. Stan-Pak Run-Rite Papers come to you flat. Lie flat in the machine. And *feed* flat.

But really trouble-free running calls

for many *more* qualities. Controlled moisture to avoid static conditions and insure good printability. Accurate trim and finish to prevent feeding jams. Even caliper, uniform weight and careful surface sizing to give you sharp, clean ink impressions.



You get them *all* in Stan-Pak Run-Rite Papers.

525 Grades, Sizes and Weights

This brand new line answers about every office need in printing duplicating papers. Under the Stan-Pak Run-Rite name you'll find the grade, color and weight you want at a sensible range of prices to suit your budget.

Next time you order paper, order the brand that's made to *run*. Through the duplicating machine. Through the press. In the typewriter.

We're confident you'll spend less every time.

STANDARD PACKAGING CORPORATION, NEW YORK 17

(Circle number 151 for more information)

Workshop for Management

PRACTICAL IDEAS YOU CAN USE RIGHT NOW!

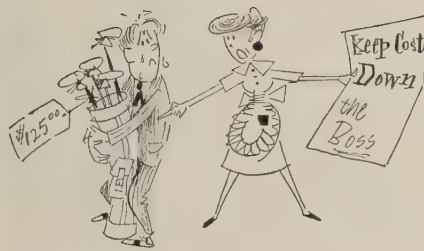
COST CUTTERS

TAKE A BIG BITE OUT OF SHIPPING COSTS

TRANSPORTATION COSTS continue to take a bigger bite out of most business budgets. You can pare the size of this expense if you put a tighter clamp on shipping procedures.

Here are some steps Prentice-Hall, Inc. suggests to trim your company's transportation costs.

1. Assign responsibility for all movements of goods to one executive.
2. Investigate the possibility of pooling shipments with other firms in your area to get reduced rates.
3. Consider the possible potential savings of using regional warehouses—your own, leased, or public.
4. Check competitive rates. Don't take it for granted that all carriers make the same charges.
5. Weigh transportation costs when considering suppliers' bids. A lower shipping price may more than offset the additional cost of a slightly higher bid.
6. Have a monthly report submitted to you on all *premium* transportation. This will spotlight these added charges. Tell the Sales Department that premium transportation may wipe out all or most of the profit on a shipment.
7. Check schedules before okaying expedited service. The carrier's normal schedule may be satisfactory.
8. Have freight bills audited to



insure that the lowest applicable rates have been charged, and that the proper billing descriptions were used.

9. When placing orders, avoid demurrage charges. Freight carloads that can't be unloaded promptly amass profit-eating "rental" fees.

10. Use the services offered by carriers when planning your transportation program. Sales Departments of railroad, bus, airfreight, and truck lines are eager to help you.

REWARD WOMEN WORKERS WITH A ROSE

■ TAKE HOME PAY went up 25%, but added output pared production costs by \$58,000 in one year. This savings resulted when a novel, almost no-cost idea was adopted in an underwear manufacturing plant in a small New England town.

Operators were mainly older women on a short shift. Production procedures were about to be revamped and longer hours instituted. Yankee worker resistance to the new methods and schedule was expected to be considerable.

The production manager decided

first to tackle the production line with the most potential problems. He set new production targets there. But first he announced each worker would receive a red rose on achieving the goal.

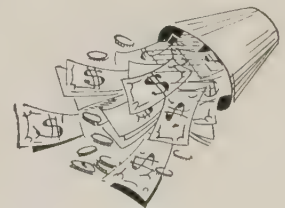
Of course, the rose presentation was preceded by training in the new methods and informal talks about the new setup to gain their cooperation.

Red roses, in this instance, not only meant more pay for the workers but added profits for the company.

PHOTOGRAPH USABLE CONTENTS OF YOUR WASTE BASKETS

■ TO DRAMATIZE THE CUMULATIVE loss of wasted pennies, Blaw-Knox Co. photographed and publicized the spilled contents of one office wastebasket. The usable items included memo paper, an interoffice envelope, clips, a pencil and rubber bands.

These "tremendous trifles" have a modestly estimated cost of say six cents per basket. Multiplied by the company's 2,500 wastebaskets and 240 annual working days, the discarded items tallied a tidy loss. In



dollars and cents, the house organ reminded employees that this is a \$150 daily waste or a \$36,000 annual loss.

If the company were fortunate enough to net 4% profit on sales, this \$36,000 loss would represent the profit on an order of \$900,000.

A fraction of a penny lost here and there seems trifling. But hundreds of wasted trifles times thousands of employees adds up to "tremendous" thousands of dollars. And a penny wasted by Blaw-Knox is practically a penny earned for a competitor, the B-K News warned employees.

PROFIT MAKERS

DON'T OVERLOOK OBVIOUS BUSINESS RULES

■ THE MOST USEFUL business rules are so simple that they go unheeded by many managers.

For good management at any level, Tom Batman, creative director of C. J. LaRoche & Co., Inc., suggests these rules:

1. **Do one thing at a time.** Trying to juggle two or three problems simultaneously usually resolves none.

2. **Know the problem.** Much time can be wasted ferreting out an answer before clearly defining the problem.

3. **Learn to listen.** Good ideas can come from anyone, anywhere. So listen.

4. **Ask questions.** Don't approach problems with hard and fast notions of the solution. Make a point to probe if only to double check your position.

5. **Accept change as inevitable.** Every facet of business is subject to change—and improvement. Beware the pat solution. A rule, good two years ago, may no longer be good enough today.

6. **Admit your mistakes.** Rationalizing is easy and risky. Build on a foundation of reality—or you will not be building at all.

7. **Be calm.** Seasoned judgment is seldom the product of frenzy. When you depart from calmness, you invite confusion and error.

8. **Use perspective.** Failure to communicate often arises from grimly looking up at a molehill when you should be looking down.

WEIGH QUALITIES OF OLDER WORKERS

■ EMPLOYER ACCEPTANCE of mature workers in the over-45 group is gaining ground. And for good reason, a survey of the National Association of Manufacturers shows.

Advantages generally characteristic of this older group, especially in certain jobs, seem to outweigh the unfavorable factors.

Although individuals vary widely, certain characteristics have been noted by businesses which have successfully made use of the services of older people. For instance, testing has proved that 40% of workers over 45—even to the age of 65—can outproduce younger workers at some jobs.

Other favorable factors agreed on by employers include these NAM findings:

Stability: Older employees have a lower quit rate. Some employers



have solved high turnover problems by turning to more mature workers.

Attendance: People over 50 are absent from work less than any other group.

Performance: Patience and thoroughness are common characteristics of mature workers.

Experience: The years behind the older worker are a part of his equipment.

Safety: Older workers are more careful and have the best safety records.

Judgment: Age increases wisdom, and younger workers often

are "informally supervised" by responsible older employees working beside them.

Attitude: Older workers are more "possessive" about their jobs, value them more, and are less likely to be distracted.

On the other hand, there are some debits to offset the credits of the ledger for the older worker.

Strength: Muscles and heart decline and must not be overtaxed.

Speed: Reflexes are slower and dexterity is less.

Illness: Illnesses keep older people out for longer periods. However, they are not absent as often as younger workers.

Adaptability: Resistance to change may be greater, because of fears for security.

MEASURE EXECUTIVE ABILITY AGAINST THIS YARDSTICK

■ THE SLOW START of the Sixties has caused alert companies to use a new yardstick when judging candidates for management posts.

Neither a fancy test nor an involved technique, the new measure is the answer to a simple question: How did the candidate manage out in the 57-58 recession?

"Executives who have weathered the stress of recession conditions," Robert A. Huttemeyer of Theodore Dike Deland Associates says, "are being sought out by firms that recognize there may be some air pockets in the alleged Soaring Sixties."

To emphasize that this is not a pessimistic attitude, the consultant adds this recent comment of Executive Vice President Victor Pomper of H. H. Scott, Inc.: "We found that executives who tighten up all around when necessary are more adaptable. Such men will be more valuable to us when we hit temporary jogs in the continued boom predicted for the next decade."

Three points are covered in Huttemeyer's X-raying of an executive's performance in a recession:

1. Was he fired?
2. Was he promoted or demoted?
3. What was his personal performance?



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NEW CONCEPTS IN PRACTICAL OFFICE AUTOMATION

(Circle number 117 for more information)

formance in the profit squeeze?

However, he cautioned against blanket application of the new yardstick. Some excellent men, of course, are often let go for reasons



completely out of their control.

"This is just one more assessment to bolster interviews, reference checks and other tested techniques of a well-organized executive search," Mr. Huttenmeyer says.

MAKE YOUR VISUALS VISIBLE AND VIVID

■ INADEQUATE VISUAL AIDS can hinder and confuse rather than clarify your oral presentation.

To make your visual demonstration complement and strengthen your words, Ralph E. Vogt, supervisor of reaction motors publications section, Thiokol Chemical Corp., gives these pointers on visual prop preparation and presentation.

1. Keep the slide or chart simple. Like a highway billboard, it must be understood at a glance. A too-detailed visual diverts too much attention from the audio presentation.

2. Present one idea at a time. Show only items specifically mentioned in your talk.

3. Stick to essentials. Reject all unnecessary embellishments. A few simple highlights are far more effective than many shown and not fully grasped.

4. Avoid lengthy, complicated visuals. As a rule of thumb, an effective guide requires no more display time than one minute. One taking more than this is usually too complicated and will confuse the audience. A crowded illustration also limits the size of lettering.

5. Use key words only. Reading full sentences from a slide or chart

will annoy listeners. Invariably they read ahead of the speaker and become bored or confused.

6. Limit words to about 20 per slide or chart. Try to use short words. Use adequate spacing.

7. Limit curves on a graph to two or three, well separated and clearly defined. Omit symbols and data points if not needed for clarity.

8. On a table, simplify captions and, if possible, show round numbers. Don't exceed six columns and 10 lines. More columns and lines are too unwieldy for rapid assimilation.

9. Remember that drawings made for other purposes are rarely satisfactory for slides. Projection imposes definite limits on lettering sizes and line weights.

10. Use color for added impact and clarity.

11. Make your visuals large and clear enough to be easily read in the last row.

12. Try surprising your audience with one humorous or attention-getting slide or picture, with appropriate comment.

EFFICIENCY HINTS

UTILIZE UNIQUE ASSETS OF THE HANDICAPPED

■ OFTEN A HANDICAP can make a person better fitted for certain jobs than the physically normal worker.

Take the case of deaf mutes. At Speakman Co., such workers have proved especially efficient at noisy buffing, polishing and drilling machine operations.

These men are sought out by this Wilmington, Del., plant. After training, they usually reach full production capacity within six months.

There's no trouble in communicating with them since the mutes are adept at lip reading. And one problem never comes up—too much talking on the job. Further, being deaf, these workers never are annoyed or their hearing or work impaired by the extremely noisy surroundings.

Only one concession is made to

the handicapped workers. They are paid on a base rate rather than an incentive system. This is done to eliminate any temptation to speed beyond a safe rate.

USE YOUR WIFE AS SOUNDING BOARD

■ PRACTICE YOUR SPEECH on your wife first so you won't talk over the head of a layman audience.

This is the advice of Thomas M. Sawyer, Jr., associate professor of English, University of Michigan College of Engineering.

To make sure your ideas get across, Professor Sawyer gives the pointers on how to gain listener comprehension:

1. Don't assume your audience knows as much as you do about the subject. Using your wife as a sounding board will pinpoint unclear statements.

2. Tell how you measure the invisible or abstract. No matter what your field is, it encompasses certain intangibles puzzling to the layman. Relate these abstracts to physical counterparts.

3. Explain in English—not mathematics or abbreviations. Symbols, numerals or letters are abstract, not readily grasped. Explain your su-

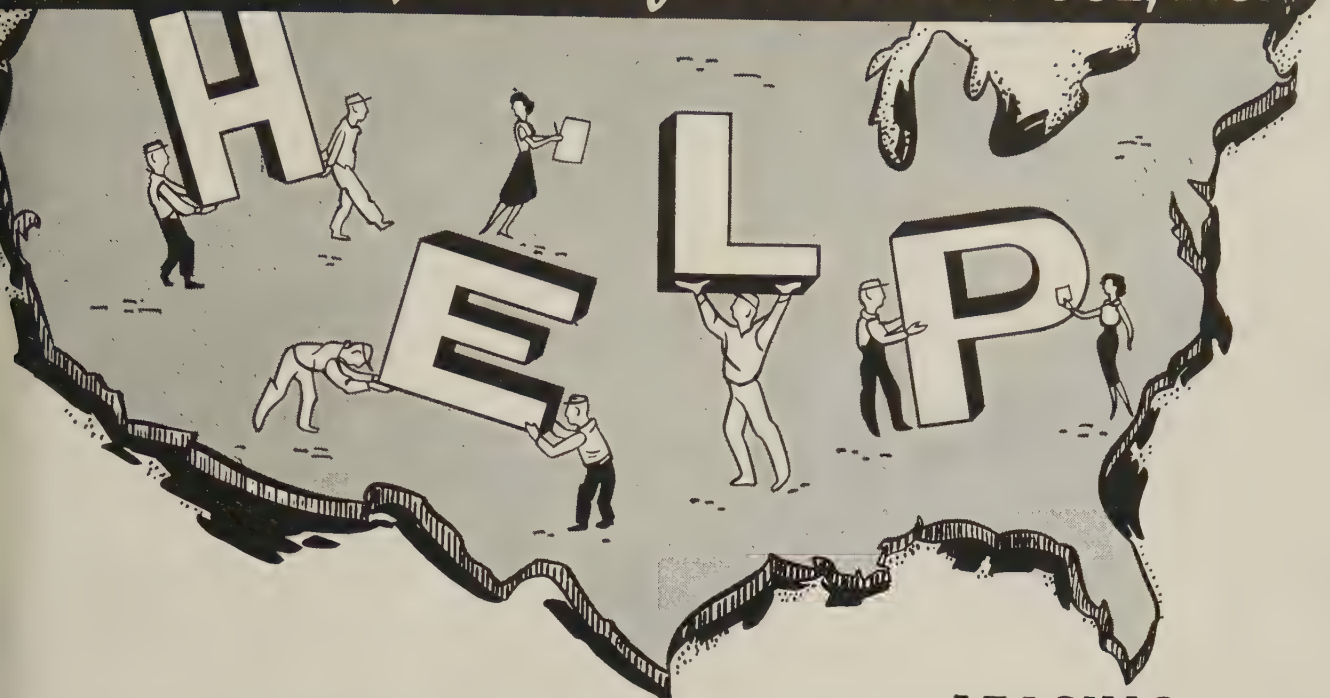


ject in real, sensory terms before you begin to attach symbols to it.

4. Tell them what you're going to tell them. Alert the listener in advance what to listen for.

5. Hammer home points with repetition. If you want your audience to remember your main idea, repeat them at least three or four times at different spots in your speech.

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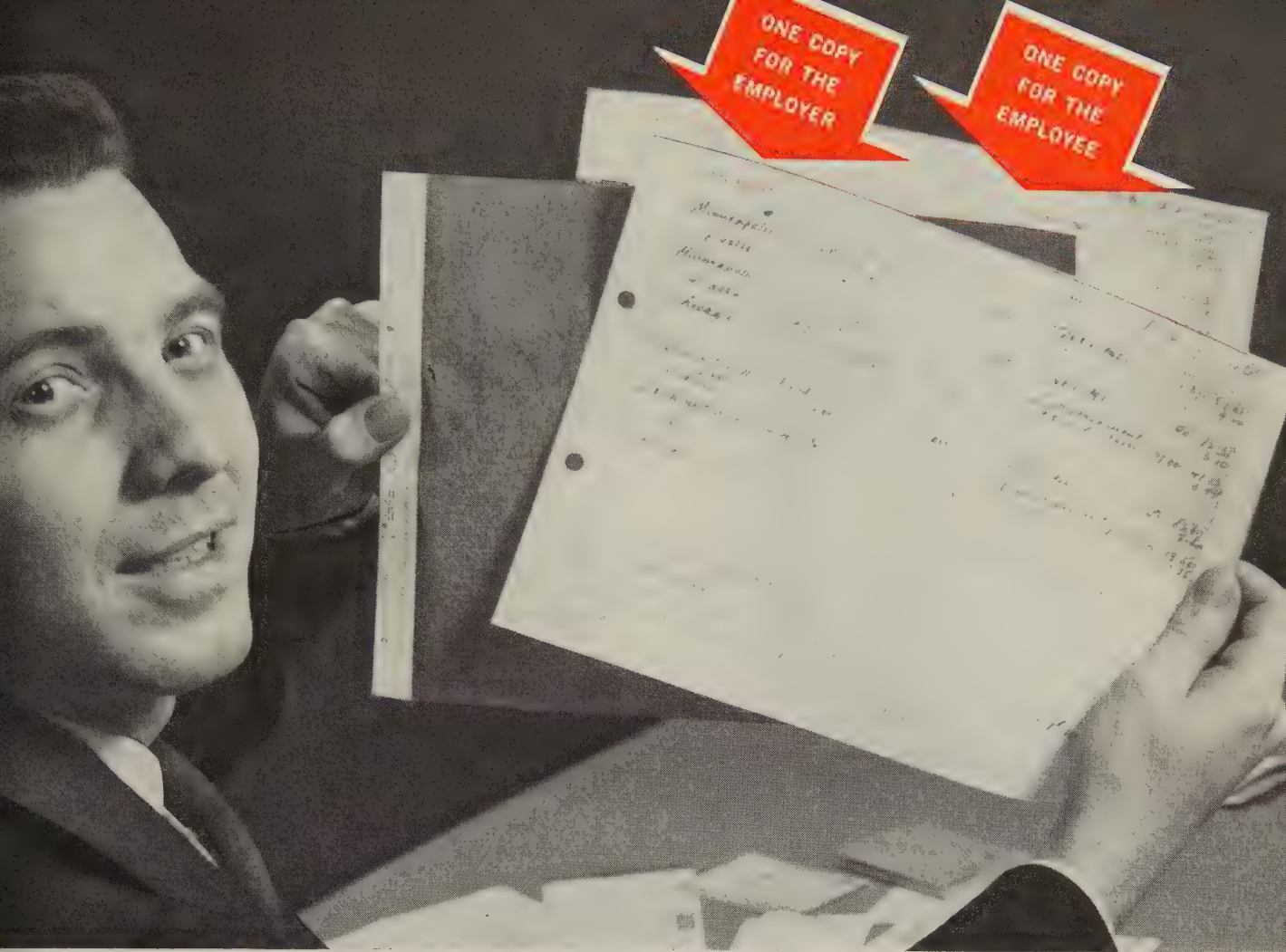
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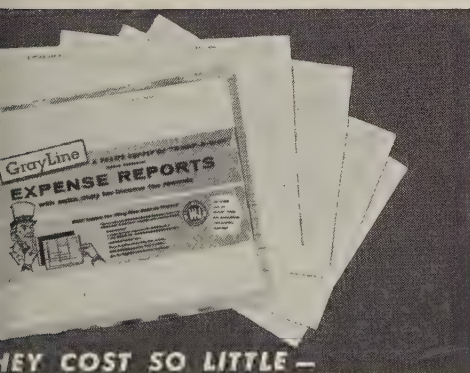


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MANAGEMENT METHODS talks with Dr. Peter J. Steincrohn

How to stop your job from killing you

Tension can slowly kill you. But this insidious destroyer of health can be shut out. To protect yourself against it, you don't have to sacrifice the pleasures of the good life. In fact, you can lengthen and strengthen your effectiveness as an executive by enjoying the natural pleasures your position should offer you. Here is the surprising prescription of a doctor who says you're a business failure if you let your job steal your health.

You work 50 or more hours a week and spend most of your time talking to people. You are critical of yourself and feel you have more to do than you can possibly accomplish. On top of your job you have personal worries. You have a lot of paperwork to handle. You smile (outside) and tense up (inside) when people drop in without appointments and steal valuable time. You "eat and sleep" business. An hour after your day begins you're as wound up as a coiled spring.

With words like these, Dr. Peter J. Steincrohn describes the typical hard-driving executive under pressure. And he points to the chilling fact that this kind of pressure, or stress, is slowly killing thousands of "healthy" executives.

Dr. Steincrohn has a tested prescription for blocking the forces that undermine executive health. He has written the first full length popular book on the subject.

At age 60, Dr. Steincrohn shows the results of the practices he preaches. A hard working man, he is probably one of the healthiest, heartiest and happiest men

THIS TWO-PART ARTICLE TELLS YOU

Why you need a winter vacation

Why you don't need exercise

How weight control can save your life

How to stop the killer, Tension

How your wife can guard your health

What a good physical exam includes

How to sleep even with worries

Facts about coffee, smoking, alcohol

When and how to retire

Two danger signals to watch for

alive today. Yet he makes few if any sacrifices to protect his good health.

■ He never exercises. He is a proponent of physical laziness and shuns all types of exertion that can be avoided.

■ He enjoys cigarettes, delights in good wine, and believes liquor has value for purposes other than snake-bite.

■ He carries a daily workload that would buckle the knees of many a younger executive. Evidence: he has just published his thirteenth book, he writes a daily column carried by over 60 newspapers, he personally handles all of the research and the bagloads of mail his column involves, and he produces a steady flow of articles and other writings on medical subjects.

Dr. Steincrohn spent 30 years as an internist and heart specialist in Hartford, Conn. He built a successful practice, became chief of medicine at two hospitals,

consultant at a third. But in 1955 he took his own advice and removed himself from the firing line before the pressure of his job could undermine his health. He moved to Florida to follow his new career as author and columnist.

His newest book is *Mr. Executive: Keep Well, Live Longer* (Frederick Fell, Inc., New York, 341 pages). It provides a practical foundation of knowledge for the executive who considers himself a valuable asset to his company, as well as to himself and his family, and who wants to protect that asset from a breakdown caused by preventable illness.

MANAGEMENT METHODS' editors recently tape-recorded a lengthy interview with Dr. Steincrohn. The aim was to obtain some of the highlights of his studies of executive health.

Here are edited segments of the interview transcript. You will find his advice easy to take.



Dr. Steincrohn, how valuable is the luxury of a mid-winter vacation?

A. For the executive under stress, it's no luxury. Executives are flesh and blood, not men of steel as they often think. They need periods of rest, particularly when under pressure. Forty-eight or 50 weeks is too long to wait for a chance to catch your breath.

It's like driving all day on a long trip. The first 350 miles may be easy, but you have to fight off fatigue for those last 50 miles that you force yourself to go. It's that last 50 miles that takes something out of you. In the same way, an executive who has had a good summer vacation probably feels fine and can work hard through September, October, November, December. He can slug away in his job and feel no undue stress. But along comes January, February, March, April, and he's washed out. He has to force himself. That's just the time he needs the buildup a vacation will give him. That's just the time he needs to relax.

Q. Are you suggesting that every executive should take a couple of weeks off in mid-winter?

A. It depends on the individual. Some people take summer vacations through force of habit when they'd be better off to save some or all of their time for the winter. For many executives, summertime brings opportunity for relaxation without actually going away for a month. But this vacation-like atmosphere vanishes after Labor Day. Then the rigors of winter set in, and the winter weather itself puts an extra strain on the human system.

I'm saying that many executives who take summer vacations would be well advised to take winter vacations, too. The break from tension, the period of rest, the change of pace will probably make the man a far more effective executive than if he plods along for 48 or 50 weeks without a vacation.

Q. What about the executive who hates to leave his job for more than a day or two?

A. Yes, I've known men who enjoy the first three or four days, but then they're itching to get back. That kind of man shouldn't take his vacation in one gulp; it'll do him more harm than good—pacing up and down, waiting to get back on the

job, phoning the office and so on. He'd be better advised to use his vacation time for long weekends.

But generally speaking, I'm strongly in favor of winter vacations. I've known many men to take a winter vacation, whether for winter sports or just lying on the beach and come back with their eyes opened. "Why didn't I think of this long ago!" they say. You can see instantly in their faces that the mid-winter time-off has erased the marks of tension and fatigue.

Q. Are you in favor of forcing a man to take a vacation?

A. Sometimes that's necessary. There are times when a man should be told, "We don't want to see you around here for the next couple of weeks." He should be told to take a trip away from home and get new surroundings.

I believe company presidents could do their companies a great service by not only considering mid-winter vacations for themselves, but also by looking at the men around them, determining which of these key men could become more effective in their jobs if they took some mid-winter time off, then strongly recommending these men that they get away for a few days.

"A mid-winter vacation erases tension and fatigue—makes you feel like working hard."



TENSION RELEASE

Q. You've mentioned the tension, stress and anxiety that build up in an executive. What happens if these aren't relieved?

A. We know that a buildup of tension is often the forerunner of coronary thrombosis, high blood pressure, ulcer, diabetes, hyperthyroidism, and many, many other of the so-called degenerative diseases. Tension, stress and anxiety slowly but surely undermine a man's health. Under continued strain, his weakest link will eventually snap. It may be his heart, it may be his stomach, it may be his mind. Unrelieved tension has the same kind of eroding power as an underground stream that eventually makes the ground above it cave in. Tension can weaken a man to the point where he caves in.

Q. Specifically, what are the causes of tension in an executive's job?

A. The most important thing is that he deals intensely with all kinds of people, all kinds of personalities. Just this in itself can produce a lot of tension. The executive has to deal with the happy types, the sour types, the gripers, the com-

plainers. He has to get along with all of them, motivate them, lead them, coordinate their work. That's a strenuous job.

There are other things that cause tension, of course. There are the uncertainties of business, the competition (both with other companies and with other people within his own company), the deadlines and the daily race against the clock, the seemingly continuous interruptions of the telephone, the late hours (whether for entertaining or desk work) that mean missing an hour or two of sleep—these are the kinds of things that combine to produce tension.

Q. What can an executive do to eliminate tension from his job?

A. Part of it is simply a matter of good management—managing himself and protecting his personal resources with the same degree of intelligence and care that he uses to manage and conserve the resources of his company.

Let's look at it strictly from the point of view of the clock and the telephone.

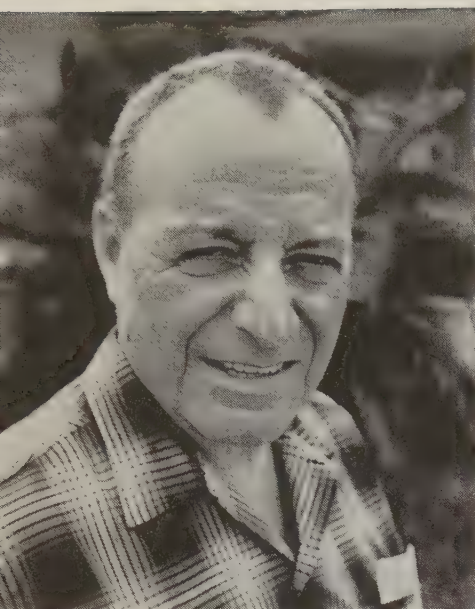
For most executives, time is too short. That's proven by the briefcases they carry home. They're really working around the clock. If this is essential, at least they can

cut corners and find ways to relax during the day.

Many executives start rushing as soon as they get up in the morning—rushing to get the train, for example—and this sets the pattern for anxious rushing all day. One simple way to solve this problem is just to get up a little earlier. Instead of getting up at 7:30, get up at 6:45. This allows time for a leisurely breakfast, time to get to work without rushing. You know, once a treadmill gets speeded up, it's hard to slow it down. It's better not to let the treadmill get going that fast to begin with.

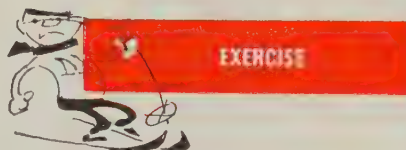
Another way to eliminate tension is to leave some elasticity in your schedule. Many executives pile one appointment right on top of another. The obvious result is that when an emergency comes up, they find they have to be in two places at once and tension obviously results. Once you get behind, it's impossible to catch up and the tension mounts. I think executives should take a lesson from doctors who plan their schedules to allow for emergencies.

Another easy way to block tension is to stop answering the phone every time someone calls. For many years when I was practicing medicine, I wondered why I was always



shaking your hands loosely, and taking a half dozen deep breaths to get some extra oxygen into your lungs.

There are other things: take a highball before dinner so you don't eat with your stomach all bound up; cut down on too many cigarettes; cut corners on time so that you can thumb your nose at the hands of the clock, instead of having them do it to you.



"Exercise is unnecessary and can be downright dangerous."

Q. What about this question of exercise? How much is right for a normal healthy executive?

A. I'm an exponent against exercise, a proponent for laziness.

Q. You mean, don't exercise at all?

A. I say you can be as healthy or healthier without exercise as you can with it. The secret is to learn to relax, and to keep your weight down. I believe the man who can do that is healthier, generally speaking, than the man who runs around with golf clubs, tennis rackets and exercise equipment. He's healthier than the man who rushes to the gym during lunch hour, and devises every form of throwing his arms and legs around.

You don't need that unnatural exertion to remain healthy. Of course, some very prominent doctors believe in running upstairs, bicycle riding, snow shoveling and all those things as a means to physical health. I believe they are unnatural and unnecessary exertions—and sometimes disastrous.

I am particularly against the supposedly exhilarating vacation variety of exercise where a man works at a desk for 50 weeks, then crams into two weeks as much exercise as he can get—36 or 72 holes of golf every day or two, tennis, mountain-climbing—all the things he thinks he is supposed to do on his vaca-

tion as a means of building health. It's ridiculous. He usually returns to his job exhausted, and he can harm his health.

Q. Are you saying that exercise is unnecessary, or are you saying that once a man reaches a certain age he should be careful in his exercise?

A. I'm saying both.

Exercise can be downright dangerous when done to excess or done on a sporadic basis, such as weekend golfing or tennis playing. This is particularly true after 35.

But even before you consider the danger of excessive exercise, consider the fact that it is unnecessary to go out of your way to get exercise. We get enough in our daily activities. Regardless of what job you have, if you wore a pedometer you'd find you do a great deal of walking every day—perhaps many miles, and certainly many blocks. Think of the exercise you get when you take off your coat, or put on your coat. You get exercise when you step out of the shower and rub yourself down with a towel, or when you bend over to put on your socks and tie your shoes. If you get a flat tire, you may not change it yourself, but you probably walk at least a couple of blocks to find someone to fix it.

All of this adds up to a considerable amount of exercise.

Q. Doesn't a reasonable amount of exercise reduce the chance of heart attacks?

A. Many doctors have said so lately. Conversely, they say that if you don't exercise, you increase your chances of getting a coronary.

I think this is untrue. There is no scientific evidence to support that belief.

For example, a study was made in Britain concerning the coronary thrombosis rate among conductors and motormen on London buses. A paper based on the study reported that bus conductors have less coronary disease than do motormen. In the paper, the conclusion is that conductors have less coronary disease because they are constantly on their feet, walking and climbing the stairs to the second level. On the other hand, the motormen just

exhausted at the end of the day. Then I realized it was because of the telephone. A call would come in and I would step out of the fluoroscopic room to answer it. Two minutes after I had gone back to my examination, the phone would ring again and I'd go out and take the call. Very few of the calls were emergencies, so I instructed my nurse to tell all but emergency callers that I'd return their calls later. I set aside a special period of the day for telephoning. I found that this took a lot of tension out of my work; my telephoning time turned into something like a coffee break—a period of relaxation which I enjoyed.

I think executives can follow this same idea. Instead of having your secretary give you most or all calls that come in, have her tell all but emergency callers that you'll return their calls at a certain time. You can bunch your calls and answer them in a relaxed manner.

Q. What other ways are there to eliminate tension?

A. Work on the little tensions. Find small ways to relax during the day. Take a short nap in the afternoon if that's possible; but if it isn't, you can get the same kind of tension release by untying or loosening your shoelaces, bending over and

t and thus, says the report, they get more coronary disease because they don't get enough exercise.

I think this kind of reasoning is completely erroneous. It is at least as valid—and probably more so—to conclude that motormen are more susceptible to coronary disease because they are constantly under stress in their job of guiding their buses through hectic, snarled London traffic, with the added responsibility of not hitting anyone. I think it's the tension, not the sitting, that kills more London motormen than London conductors.

Q. What about exercise as a means of relieving tension?

A. Yes, exercise does relieve tension. Now understand me; I'm not suggesting that people live like *moebae*. I'm not suggesting that one should never exercise. I'm not against a man playing nine holes of golf, but I am against his playing 18 or 36 holes and then rushing home and being tense about missing dinner. I'm not against a man bowling a string or two, but I'm against his bowling 10 strings. I'm not against a man of 45 or 50 playing a little tennis with three other old cronies; but I am against this fellow playing singles with his teenage son, to show him he's still as good as he used to be.

Normal exercise is fine if you like it. But if you don't like it, I say don't force yourself into it. You can live healthily without it.

Q. Are you saying that it's a good thing to be physically lazy?

A. Correct. I'm in favor of the man who can lie in a hammock without getting a twinge of conscience when his friends go by with their golf clubs or tennis rackets. I'm for the man who doesn't play follow the leader when it comes to exercise—who doesn't lift a finger unnecessarily if he doesn't feel like it. I'm that kind of an individual myself. That doesn't mean I was born physically lazy; I wasn't. I played football and baseball in college. And I boxed. As a young doctor, I got up at six o'clock three mornings a week to play golf. I'm not one of those fellows who was born with chains on and could never move.

"The secret of health is to learn to relax and to keep your weight down. The man who can do that is healthier, generally speaking, than the man who runs around with golf clubs and exercise equipment."

But then came the mystical age of 40. Somewhere around then, I shifted gears and became physically lazy. I think I've played two games of golf in the last 15 years. I'd rather sit than stand; I'd rather lie in a hammock than sit in a rocker. Fortunately, I've been well. I'll have to live to be 80 to prove my theories, but at least I've reached 60 with all my health. I feel grand, and it certainly isn't due to exercise.



"If you do nothing else to protect your health, check your weight."

Q. What can an executive do to protect his health and lengthen his life?

A. Proper weight is one of the foundations of good health. An overweight person is just inviting early annihilation. It's slow suicide. It's as simple as this: if you are 50% overweight, there's a 50% greater chance of your being dead a year from now than if your weight is normal.

Q. Are many executives overweight?

A. Many are. You hear a lot of women worrying about their weight, but actually the tables show there are more men overweight than women.

Q. What's the danger of being overweight?

A. The dangers are numerous. If an executive is overweight, he is more susceptible to arteriosclerosis

with coronary seizures, angina, coronary thrombosis, high blood pressure, diabetes, gall bladder disease, kidney disease—to name just a few. He is even more apt to commit suicide if he is overweight—for what reason I don't know. He's a poorer risk if he's to be operated on.

If an executive under tension were to do just one thing to protect his health, I would recommend that he check his weight. If he is overweight, he can increase his chances for a long and healthy life by simply bringing his weight down. You know, there are no more fat man jokes; the matter has become deadly serious.

Q. What causes overweight? Is it just eating too much? Is it glandular? Are our appetites stronger than our needs?

A. The simple fact is that overweight people just pour down too many calories. Only rarely is the improper functioning of the thyroid a contributing factor—despite the fact that in the past many people used this as their excuse for being overweight. Almost always, overweight comes from overeating.

Q. What about the people who can eat and eat and not get fat?

A. Oh, you mean those people who never get fat but almost give you an ulcer by downing a couple of portions of pie a la mode while you're trying to resist doing the same! Those people have a way of burning it up somehow. They just burn it up.

Q. How do you recommend that an overweight executive bring his weight down?

A. It's very simple. It can be said in just four words: *the will to lose*. It means going to bed at night and

continued on page 80

How to double or triple your reading speed

Fear of missing something vital is the main reason most executives waste time by reading too slowly. They plow through endless verbiage searching for facts that could be found in a flash if they would only learn to skip and skim. This article tells you how to skip and skim. Master the technique and you'll absorb more information at a faster rate.

Can you read your morning newspaper while downing your coffee?

Can you extract pertinent information from magazines and other material without plodding through all of the parts that do not relate to you or your business?

Do you feel that you are on top of your correspondence, reports and other reading—rather than snowed under?

If you can answer yes to these questions, it means you are now using the technique of pre-reading.

If not, this article tells you how to develop and perfect the pre-reading technique.

Review

By now you are probably using the phrase reading and columnar reading techniques described in the first two monthly "lessons" in this series. If you are still having trouble, it may be due to one of two things:

- You are looking directly at the line rather than at the space above it. By looking above an object rather than directly at it, your span of vision is greater. Keep your eyes focused slightly above the line of

print and it will be easier for you to see larger phrase groups.

- Possibly you are still afraid of losing comprehension and hesitate to try phrase reading. This factor alone holds back the largest number of businessmen who try to learn to read faster. The responsibility of their position causes men in management posts to read slowly and carefully; therefore they are more reluctant than others to increase their reading pace.

For this reason it is sometimes easier to practice with fiction material that is of no real value to you. Race across the line with only two or three eye fixations per line until you grasp phrase reading thoroughly. Gradually carry this same technique over to non-fiction material that is not of too great importance to your work and finally, as your confidence increases, apply it to all your business reading. Contrary to average opinion, your comprehension *will* increase with speed.

How to pre-read

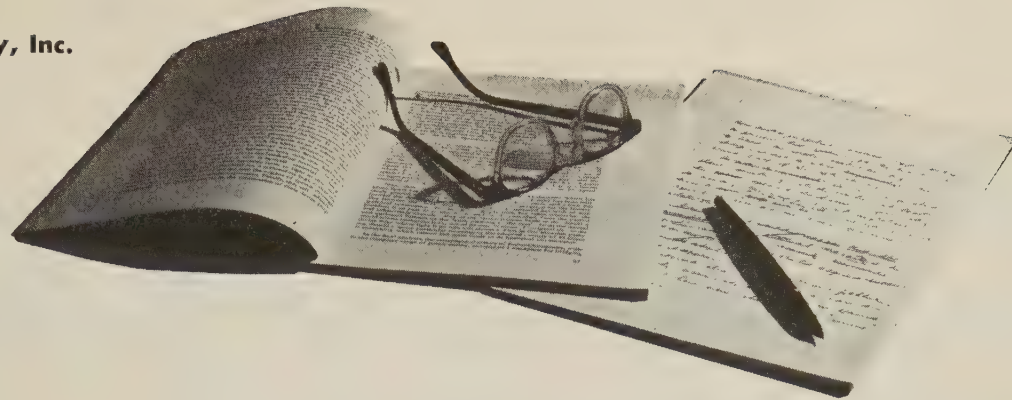
Pre-reading is a time saving preliminary survey of any article, report or other piece of non-fiction. It is a particularly important first

step in reading complicated and difficult material. By applying this method, you can determine if the material is too elementary and simply repeats what you already know. Or it will tell you if it is too advanced, if you must get a better background in the subject before you tackle the article.

Your pre-reading may indicate that the answers to certain of your questions can be found in the article, or that a few new and interesting points are raised in an otherwise elementary discussion. Upon such circumstances you will save time by *skimming* back through the points of interest (more about skimming later on). If a pre-reading indicates that the article deserves *thorough* reading, then you have also saved time by your advance sampling of the author's style, your foreknowledge of the major points to be covered and the conclusion to be drawn at first reading.

The following techniques may seem elementary. However, a true application will convince you of the time saved and comprehension gained.

1. Look first at the title, author and date.



2. Read rapidly the first two or three paragraphs which almost always introduce the subject in a general way.

3. Begin reading only the first sentence of each paragraph in the main body of the discussion. The topic sentence usually expresses the main idea of the paragraph.

4. Examine pictures, tables, graphs, charts and drawings which often reveal more at a glance than many pages of print. Note all the subheads and bold faced or italicized type, which indicate important steps in the discussion.

5. As you read the end of the article or report, the first sentences of the paragraphs will tell when the author is beginning to sum up his discussion. Read these summarizing paragraphs thoroughly but rapidly. Many trade publications clearly define these steps for you by using bold faced type, italics or concise subheads. As an example, look at the article on page 40.

The title tells you what the article is about (oftentimes a title can be misleading) and the brief deck tells you concisely what you can expect to learn from reading the article.

At this point you are able to determine how you will approach the material. A swift pre-reading will complete the analysis. The editors have provided subheads, summaries and ample illustrations enabling you to get a complete overview of the entire article in a matter of seconds.

If the article warrants a thorough reading then pre-reading has not been a waste of time (if seconds are to be considered a waste of time); you have double insurance of retaining what you read by having read the important facts first.

Parts of newspapers, such as editorials and book and theater reviews, may be pre-read as you pre-read articles. News stories, however, contain all of the main points in the first few paragraphs. Pre-read a news story by reading the first paragraph thoroughly and skimming the second and third paragraphs rapidly.

Skimming is not rapid reading; it is a substitute for reading. Pre-reading will tell you if an article, book, etc. should be skipped, skimmed or read thoroughly. Skimming is employed when pre-reading reveals that you need further understanding of the material. Beyond skimming lies thorough reading if you need complete understanding of a piece of writing.

When you skim, you may be looking for a definite fact or the answer to a specific question. On the other hand, you may wish to grasp quickly the main ideas and significant details of a selection. Each purpose calls for a separate method:

Skimming for a fact: Let your eyes travel down the page without actually reading, stopping only twice on each line of print. The easiest way to do this is to place a pencil down the center of a column from top to bottom. Let your eyes make two fixations per line of print, one on each side of the pencil. As you go on to a new column, repeat the process. Keep in mind exactly what it is you are looking for. As you become proficient in this technique you will notice that the number, name or phrase you want seems to stand out on the page.

Skimming for main ideas: Read the first sentences of each paragraph and let your eyes swing down the remaining portion of each paragraph. Names, dates and numbers

will catch your eye to fill in one or two details. You will skim principally for main ideas when:

- Pre-reading indicates a need for further perusal.
- You are too pressed for time to read thoroughly.
- You encounter familiar material which is too important for your purposes to skip.

The decision to skip an *entire* article, chapter or book is based upon pre-reading. The decision to skip *portions* is a result of skimming. Material should be skipped when pre-reading or skimming indicates that:

- You are learning nothing new.
- The material is irrelevant to your purposes.
- The material is so highly specialized, it demands a proper background to be fully comprehended. In this case you should most likely enlist the aid of other sources before tackling the material at hand.

Few people use these skills well because few people know how to skip or skim without risk or fear of missing material that they need to understand. The person who knows how and when to skip and skim will save himself many hours of laborious reading and will obtain a profitable return on his investment of time. ■

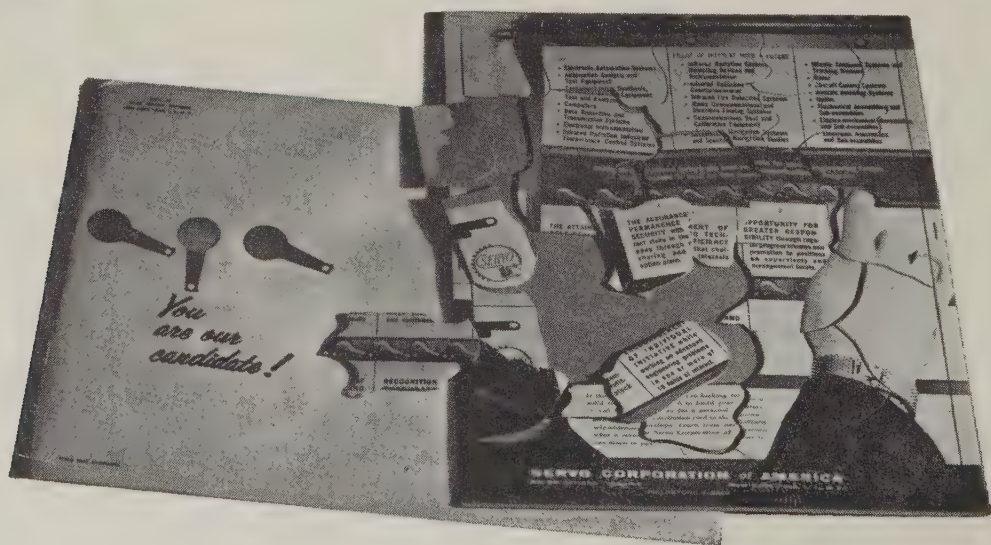
A 64-page do-it-yourself book, which tells you the how, what and why of reading improvement with self gauge to determine your reading rate, is available for \$2 from Developmental Research Institute (an affiliate of The Reading Laboratory, Inc.), Order Department, 500 Fifth Ave., New York 36.

An offbeat hiring method that captured 30 top men at \$333 a head

It costs as much as \$4,000 to hire one top engineer in tight hiring markets, according to general estimates. But Servo Corp. hired 30 such men for just \$333 a head in less than two months. Its tools were a jig-saw puzzle, an LP record and a booklet. You can adapt Servo's unique method to capture the talent you need. This case history shows how the method works.

1

Jig-saw puzzles like this were sent to 4,000 carefully selected engineers. Total cost of producing the puzzles was just \$2,700.



There are ways you can beat your competition in the search for top flight talent.

Follow the example of Servo Corp., an electronics engineering and manufacturing firm in New Hyde Park, N. Y. In just two short months, Servo hired 30 top flight engineers in one of the most competitive hiring markets in the country. More than that: with its unique approach, Servo saved about \$3,500 per man in recruiting costs.

Here's what Servo did:

- Instead of ads, it used direct mail.

- Instead of letters, it sent things.

- Instead of promises, it offered challenges.

The method was simple, and slightly offbeat. The results were dynamic. Here's how it worked.

The problem

Servo Corp. has grown fast since it was formed 10 years ago. One key to its growth, say company officials, has been the company's technical advances through imagi-

native engineering. One out of every five employees is a top flight engineer.

Naturally, no company can grow without adding personnel. Looking to the decades ahead, Servo assessed its immediate and projected manpower needs. It found that about 30 new engineers were needed right away to build toward future growth.

This was a whopping problem, and Servo knew it. Smack in the middle of the greater New York area, the firm had to buck one of the roughest hiring markets in the country. Daily, New York papers were crammed with appeals from big name companies offering engineers that "opportunity of a lifetime" . . . the chance to "carve a career" . . . a "real future."

Servo needed experienced men. But how could it jolt them loose from the security of their present jobs? How could it beat the appeals from the bigger companies?

There was another problem, too. According to general industry esti-

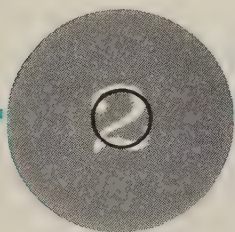
mates, it costs between \$3,000 and \$5,000 to recruit one top flight engineer. To get 30 such men, it looked like Servo would have to shell out between \$90,000 and \$150,000. Frankly, the firm couldn't afford any kind of investment like that.

Servo turned the problem over to its advertising, marketing and public relations agency—Smith, Winters, Mabuchi, Inc., New York. This firm came back with a recruitment campaign that netted the 30 top grade engineers in just over 60 days, and cost Servo Corp. \$10,000 or \$333 per head.

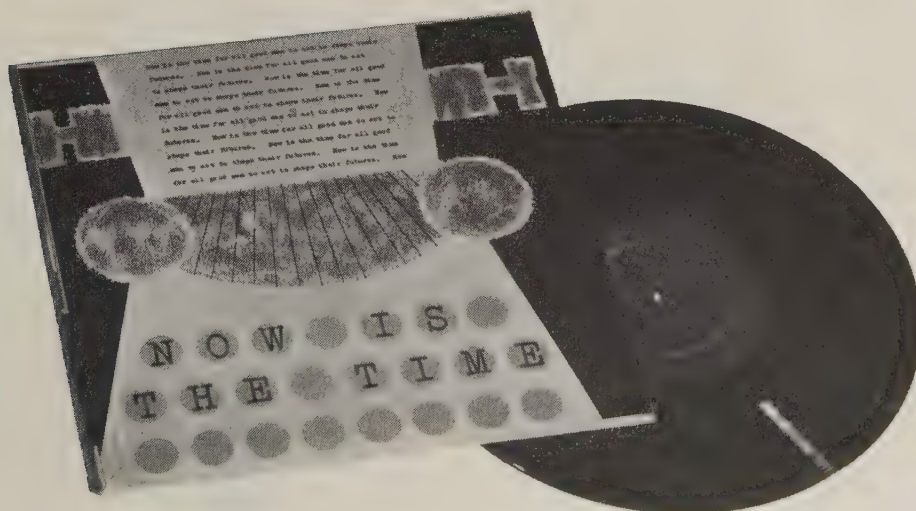
The solution

The key to this highly effective campaign was direct mail.

Mailings were sent to the homes of 4,000 carefully selected engineers. The items sent were unique in themselves. They consisted of a jig-saw puzzle, a hi-fi record and an illustrated, "interpreted" profit sharing plan booklet. Offbeat items? No doubt about it. But they worked. Before looking at how they were



These records told the Servo story, and gave engineers a range of test signals with which to check their hi-fi systems. Cost to produce 2,000 records: \$3,600.



used—and why they were so effective—let's examine the results.

The results

This campaign resulted in 400 engineer applicants from the vice presidential level on down. That's a 10% return (400 pickups out of 4,000 contacts)—phenomenal, when you consider a 2% direct mail return is better than average. Servo picked from the "cream" in selecting the 30 engineers it wanted. The program was completed in two months.

A second benefit was that this campaign yielded an impressive file of future recruits.

An extra dividend was the unexpected word-of-mouth promotion Servo got. Because of the uniqueness of the recruitment program, engineers mentioned it to their friends. The result was widespread, favorable publicity for Servo.

How did the method work, step by step? Read the following section.

The method

Servo knew what kind of engineers it wanted. It sought working electrical and electromechanical

engineers—senior, junior and assistant—with from three to nine years of experience.

The next step was obvious. Servo had to "sell" itself to these men—fast and hard. Using the time-tested maxim that you sell best when you know the man you're selling to, Servo developed a profile of a typical engineer in its target group.

To get this profile, Smith, Winters, Mabuchi, Inc. consulted the roster of one of the professional societies embracing the kind of engineer Servo wanted. Men who had been out of college for at least five years were singled out. That's because Servo wanted men with working experience. Next, a random list of 1,000 names was made from all the engineers fitting the "five years out of college" specification. Survey questionnaires were sent to these men to determine various vital statistics, preferences, interests, attitudes and their aspirations.

Here's what the profile revealed.

The man Servo wanted was between 23 and 35 years of age. He

held a B.S. in engineering science. He was married. He had one or two children. His wife was not employed outside the home. Although presently employed, he had left one job for his present one. He was a member of a technical society. He traveled to work by car—either driving alone or as a member of a car pool. He was not particularly clothes conscious. He had few outside interests other than sports and miscellaneous hobbies. Most of these had some connection with his work. The most commonly predominant interest, however, was hi-fi.

Servo also found that its philosophy toward advancement, as outlined in the company's "Career Opportunities Program," dovetailed perfectly with what engineers wanted in way of career progress.

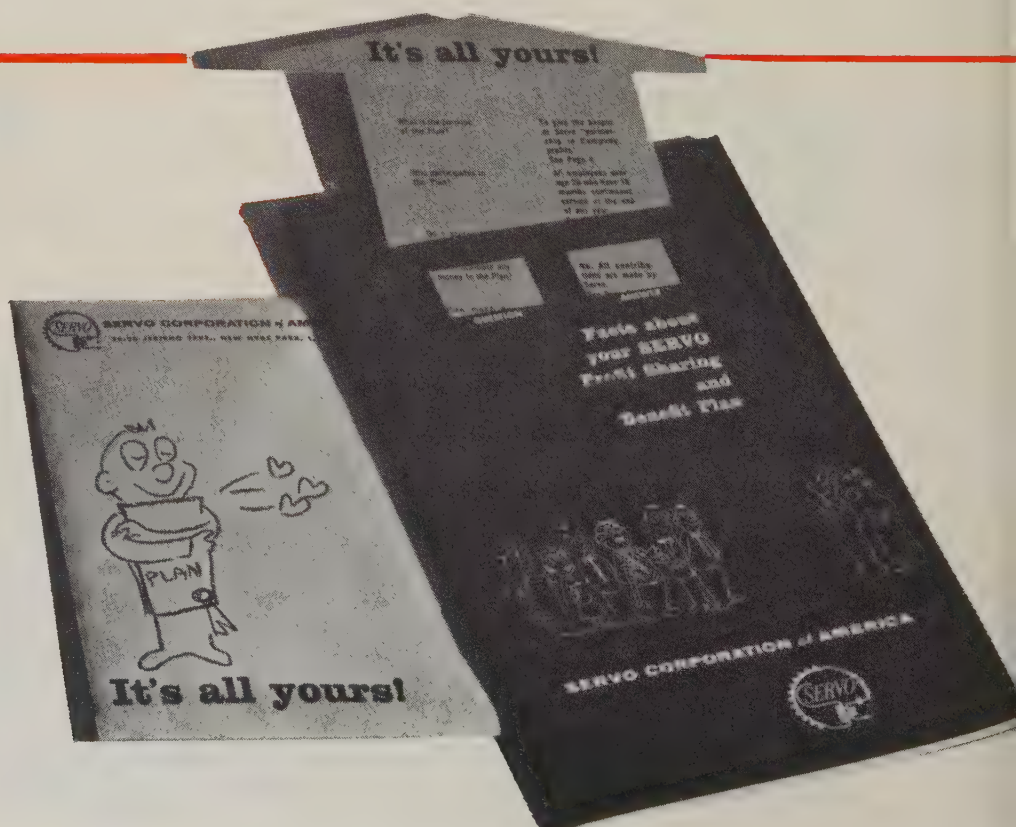
Now Servo knew what its "customers," so to speak, were like, and could beam a specific appeal at them, tailored to *their* interests.

Why direct mail?

Servo gave Smith, Winters, Mabuchi, Inc. a \$10,000 budget for the recruitment campaign.

3

Simply written, illustrated booklets gave key facts about Servo's profit sharing plan. Total production and creative costs: \$2,700.



The advertising-public relations agency then reviewed the conventional recruiting attacks—newspaper advertisements, magazines, radio, television and billboards. These media were weighed in terms of effectiveness and cost. Budget limitations, plus the plethora of the same orthodox competitive use of these media, dictated the need for a different approach.

The agency's first decision was to concentrate recruitment efforts locally. There were three reasons for this decision.

1. The agency knew there was a great pool of technical talent within a 30-mile radius of Servo's Long Island plant.

2. Time was short. Servo needed its 30 new engineers within two months.

3. Money was limited. There simply was not enough for a widespread campaign.

In view of the nature of the problem, and the limitation of money, direct mail was chosen to carry the attack. But the approach would have to be attention-getting. It would have to create impact and a favorable impression on the engineer family group.

What would appeal most?

The most effective appeals are aimed at a man's natural interests. Therefore, the agency built its campaign around the profile findings—the engineer's leisure time interests, what he expects to find in a job, and the fact that he is a family man with children.

The direct mail campaign was launched about a month before the national elections. Hooking up with the election theme to capture attention, the first item—a jig-saw puzzle—was sent in a large white envelope that read: "You are our candidate." It was not otherwise identified as a Servo mailing.

Here are the three major items in Servo's campaign—and the reasons why they were used.

Jig-saw puzzle. Servo knew that its prospects had one or more children. It was guessed that the engineer's children would give the puzzle a long home life. When assembled, the puzzle was designed to appeal

to the engineer's personal and family interests. It showed a young engineer in a polling booth about to press down one of the voting levers. A headline urged him to "study this platform before you cast your vote for your engineering future."

Directly below, Servo's "platform"—an outline of its Career Opportunities Program—was listed:

1. *Attainment of self realization and pride of accomplishment as a member of a dynamic young company that is really going places.*

2. *Achievement of increased technical proficiency in jobs that challenge your interest and aptitudes.*

3. *Opportunity for greater responsibility through regular progress reviews and promotion to positions on supervisory and management levels.*

4. *Assurance of permanence and security . . . through profit sharing and stock option plans.*

5. *Recognition and encouragement of individual initiative while working on advanced engineering problems in 16 fields of interest.*

Enclosed with the jig-saw puzzle were an invitation to arrange for an interview with the Servo personnel director, a self-addressed envelope and a postfree reply card offering the free Servo record. Including the agency's creative costs, the total cost of the puzzle was \$2,700.

Hi-fi record. The record, like the puzzle, was tied to the election theme with the title: "Now is the time." The record was a high quality, 33 $\frac{1}{3}$ rpm high fidelity recording.

Jacket copy explained that the record was prepared by Servo "to acquaint you and your family with our company story . . . how it relates to your engineering career . . . how it offers a stimulating environment for growth and recognition." As on the puzzle, the jacket listed Servo's 16 fields. There was a map of Long Island, showing Servo's location.

The record had no introduction. It began with the sounds anyone hears at the start of a working day. There was the "tick, tick, tick" of an alarm clock, and then the alarm going off. The sound of a morning shower followed, then a car start-

ing, sounds in the office . . . right down to the quitting time whistle at the plant.

The narrator (actor Ross Martin, television's Andamio of "Mr. Lucky") came in to explain the firm's Career Opportunities Program, and its relation to the engineer and his family. His style was personal and conversational.

The other side of the record was genuinely useful. The narrator began: "Here are a few audio test signals which you can use to check the fidelity of your hi-fi equipment. You can use these signals as a quick guide to set the tonal balance of your set before playing your favorite record. Or, if you are more ambitious, you can measure the actual voltages across the speaker terminals. You can adjust the cross-over network just the way you want it. . . ."

Like one engineer talking to another in his own language.

Ten test signals followed, from 15,000 cycles down to 50 cycles. Each lasted 15 seconds to give the engineer time to adjust his set. The record also provided a square wave signal with a pulse repetition frequency of 1,000 cycles to permit the engineer "to scope for a complete evaluation of his system's fidelity." Incidentally, this was the first time a square wave had ever been cut on a hi-fi record. None of the larger record companies had been able to accomplish the feat.

"Now that your set is adjusted and balanced for perfect listening," the narrator continued, "here's the part of the Servo story that will give you the big picture." In the same informal, relaxed style, he told the rest of the company story; its fields of interest in research and development and the engineering of commercial electronic products. He concluded with an invitation to contact Servo's personnel director to set up an appointment for an interview, and a sincere: "We'd like to thank you and your family for listening. . . ."

Two thousand records were cut. Each one was requested. The jig-saw puzzle had received wide attention, but the record proved to be

continued on page 86

The case of the vanishing desk



No formal desk here. Chairman Saphier works from a specially designed swivel chair. Its oversize arm supports a broad memo book. The L-shaped sectional unit houses his files and phones, but no furniture separates him from visitors.

Is the desk on the way out in the modern office? Two trends seem to indicate that it is—the deskless office and the concealed desk layout.

For instance, Michael Saphier Associates, Inc., New York, promotes the case of the vanishing desk from two angles. First, this space planning firm has found the deskless office is a most practical arrangement for the efficient func-

tioning of some of its own executives. In turn, company headquarters serve as an actual demonstration to clients of multi-space utilization design.

The office of Chairman Michael Saphier illustrates the pure version of desklessness. Although strictly functional, his office imparts living room informality—with no literal or psychological furniture barrier between him and his visitors.

NOW YOU SEE IT . . .

Folding panels open for comfortable, convenient access to desk and plans study areas. Executive need not disturb his papers or blueprints when he leaves for daily visits to branches and clients.



NOW YOU DON'T . . .

No trace of infrequently used work station remains when Senior Vice President Bernard Schindler closes the wall panels. The room then becomes an ideal spot for informal conferences or plans presentations.

Senior Vice President Bernard Schindler favors the hidden desk arrangement. One reason for this is that some of the plans he reviews are top secret. When called away from the office, the papers can be left out, ready for immediate attention on his return. By simply closing the panels, his paperwork privacy is maintained and other staff members can utilize the room for meetings. ■



HOW TO DEAL WITH CORPORATE GIVING

This year your company will be hit with a burden of donation requests. Handled haphazardly, they can cause a big headache. Here are measures you can take to sidestep the problems involved in these requests for company contributions. The article tells you how and when to say "no."

■ Your company can't escape myriad requests—and pressures—for donations. Some large firms average 10 solicitations a day. Even small firms are beleaguered with contribution requests.

The sad fact is most companies have no rhyme or reason to how they contribute. A few just earmark the maximum corporate income tax deduction allowed for charity—5% of net income before taxes. Some pick an arbitrary figure out of the air. Others simply base this year's allocation on what they gave last year.

Beneficiaries are chosen on an equally haphazard basis. Funds are dispensed on impulse, expediency or pressure.

Such random giving can result in waste of your company's money and inequity to the causes you support.

What can you do to insure an efficient and satisfying contribution program? Here are some specific steps you can take to get the most for your corporate dollar.

Budget a specific sum

Regardless of how you arrive at a figure, create a budget for company contributions.

This is one of the key points stressed by Dr. Leo J. Shapiro in his new book *Company Giving*.*

A budget will permit equitable distribution according to a predetermined policy. It will also

furnish a reason for necessary turn downs. It will guard against ill-considered donations made to meet the pressures of the moment.

A formal budget provides data for subsequent analysis of your contributions, and comparison with corporate giving in other firms.

Designate responsibility

Appoint a committee with full authority and responsibility to select causes and allocate amounts to be given.

A committee will take the heat off individual executives. Committee decisions give a legitimate graceful "out" in explaining turn downs. A committee also assures evaluation of appeals to conform with your company's philanthropic objectives.

**Company Giving* reports detailed corporate contribution statistics and practices revealed by an intensive survey of 500 Chicago firms. By Leo J. Shapiro, Ph.D., 150 pages, \$5.75. Published by Survey Press, 814 N. Michigan Ave., Chicago 11.

Routing all appeals to a committee minimizes preference being given to personal "pet" charities or blackballing of certain causes because of personal prejudice or indifference.

Logical makeup of a contributions committee might include your public relations director, personnel manager, industrial relations director, medical director, treasurer, a board member, the president or chairman.

Even in small firms, the committee method of making contribution decisions is strongly recommended by experts in the field. Spreading responsibility among at least three executives removes the onus from the shoulders of any one individual.

Establish yardsticks

Set up an evaluation guide for measuring relative merits of soliciting organizations. Such a guide can be a shortcut to efficient and worthwhile selection of causes to support. Marginal causes can be quickly weeded out when you weigh them against established yardsticks.

E. J. Ade & Co., Inc., New York public relations firm, through its wide experience in the field of philanthropy, has devised a Point Evaluation System. The method, charted on page 48, can be readily adapted to establish a "giving score"

for your own company contributions. Simply revamp and weigh the determining factors in line with your philanthropic and public relations objectives.

Set up procedure

Whatever the size of your organization, it's important to establish a procedure for the physical handling of appeals, rejections and contributions.

First, outline how to reply to requests made in person, by telephone and by mail. Inform all staff members to refer all fund requests to the contributions committee.

Indicate exactly how other plant or branch offices are to handle appeals for donations, and whether contributions are to be made directly or through headquarters.

Put your instructions in writing. Devise an application form for soliciting agencies so pertinent evaluation factors are readily available.

Define areas of interest

Company giving, outside of its humanitarian aspect, has rightfully become a matter of enlightened self interest. The bulk of your donations can appropriately tie in with benefits received. For instance, a corporation in the field of advanced technology earmarks large amounts for scientific scholarships. One coal

mining concern gives substantial support to health and hospital drives.

Smaller companies, in general, favor "immediate benefit" causes—social welfare, health or immediate personal involvement for their executives.

Larger companies tend to support more remote causes—education, youth programs, international goodwill. Giant corporations, to a great extent, seem to avoid contributions to unions, religious, political and veteran groups. Conversely, smaller firms surveyed allocate eight to 28 percent of their funds to religious or sectarian causes.

To get the most for your contribution dollar for your company and for the public, spell out the areas of your interest—before considering individual appeals and pressures.

Define general and specific philanthropic areas to be emphasized. Also define areas to be avoided because of legal reasons, stockholder objections, narrowness of benefit scope or other legitimate reasons.

How much is enough?

There is no pat answer to how much your company should give. However, the vast majority of companies questioned in the Chicago area, for example, gives blindly. Many admit use of a "no formula"

1956 contributions: average donations of different size firms

Number of employees	1,000 and over	500- 999	250- 499	100- 249	20- 99	4- 19
Percent that contributed	97	92	93	97	93	85
Total contributions (median)	\$39,117	\$9,999	\$2,625	\$3,208	\$875	\$379
Contributions as percent of pre-tax net (median)	0.99	1.61	0.60	0.78	0.32	0.09

Findings of survey reported in *Company Giving* by Dr. Leo J. Shapiro.

method of arriving at monies contributed. Such a "no-method" method leaves a firm wide open to undue pressures, capitulation to marginal benefit agencies, and giving too little to top causes.

Those that do use a formula for giving favor a percentage of net sales or earnings before taxes or a flat sum per employee.

A broad but practical rule of thumb is to determine first through management judgment how much you can afford, and relate it to a fair percentage of profits, sales or number of employees.

For comparison's sake, the chart

on page 47 will show you the percentage of profits representative companies have used in arriving at total contributions. The average contribution is about 1% of net earnings.

What else besides cash?

Many agencies welcome contributions other than cold cash. Consider what else your company can give.

You can encourage executives to take an active part in fund raising. Pitney-Bowes, Inc., to cite one case, is generous with executive time in supporting community campaigns.

You can lend employees full- or part-time for special projects or drives. One New York firm, for instance, donates over 500 man-days of its employees' time a year for volunteer work.

You can contribute use of your auditorium or grounds for a rally, conference rooms for committee meetings.

Your office staff can handle printing, art or mailing for local charity promotions.

You can spur employees and their families to contribute cash personally or volunteer work for drives.

text continued on page 8

POINT EVALUATION SYSTEM FOR COMPANY GIVING

For non-profit, tax deductible organizations

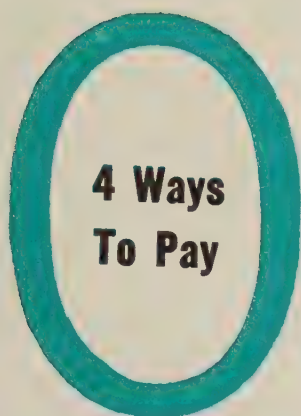
Organization _____ Amount requested _____ Amount donated _____

Evaluated by _____ Giving score _____ Request rejected _____

FACTORS	POINT SCORE		CUMULATIVE SCORE
	NATIONAL	LOCAL	
1. Purpose			
2. Annual budget			
3. Scope of activity (national, international, state, local)			
4. Area of activity (health, religion, research, education, etc.)			
5. Importance of organization in its field of activity			
6. Benefit to company, its employees, their families, customers			
7. Benefits to community			
8. Public relations value to company			
9. Leadership and management of soliciting organization			
10. Is organization temporary or permanent?			
11. Reputation and accomplishments of organization			
12. Duplication of work of other organizations supported			
13. Percent of organization's funds used to raise money			
14. Extent of support of other companies			
15. Is organization tax supported?			
TOTAL POINTS SCORE			

Note: Each factor has a value of 10 points. Maximum total score 150. Evaluation group will score each factor in accordance with company policy and procedures.

Devised by E. Jerry Ade, president of E. J. Ade & Co., Inc., New York.



VERTIME FOR SALARIED PEOPLE

Production workers in some firms earn more than their bosses. Reason: overtime. Serious morale (and management) problems often result. One solution: pay salaried personnel for overtime. Here are four ways to do it.

■ You risk morale and turnover trouble every time you permit production workers to take home more pay than supervisors or middle managers.

Here's the problem: overtime pay frequently swells the size of a factory worker's paycheck. Several times a year, he may take home more than his salaried boss, who is not paid for overtime.

You can solve this problem by establishing an overtime payment plan for salaried supervisors and middle managers.

Many companies already have. A recent American Management Association survey of 434 firms shows that 224 of them, or 51.6%, have set definite overtime payment scales for supervisors, salaried profession-

als and middle managers.* (These are the commonest types of exempt employees; that is, employees to whom you are not legally required to pay overtime.)

However, an almost equal number of firms (210, or 48.4%) don't pay exempt personnel for overtime. Here are the reasons they don't:

■ Many firms feel their salary scales are sufficient to guarantee the exempt employee a substantially larger income than the hourly worker, despite occasional variances in weekly paychecks.

*Complete results of this survey are published in AMA Research Study 40: Overtime Compensation for Exempt Employees. (\$1.25 to members; \$2.25 to non-members). The booklet also includes several different plans for establishing overtime payment systems for exempt employees.

■ Some feel that since salaried personnel are paid for their long term contribution (not directly measurable in hours), it is not proper to pay them for extra hours worked.

But—if you want to correct occasional serious inequities between production workers' and salaried employees' paychecks—here are four plans to consider. The AMA Survey indicates that these are the four most common and practical ways to pay salaried employees for overtime.

1 "Straight time" plan

Paying salaried employees for overtime on a "straight time" basis is by far the most popular plan; 88

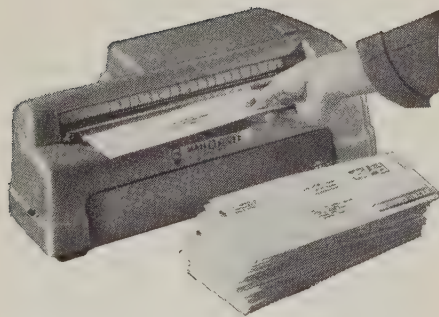
**ROCKET
YOUR
SALES
with a
W & A
Miniature**



Give your sales a real thrust with a jewelry miniature of your trade-mark or product. Write for free folder today.

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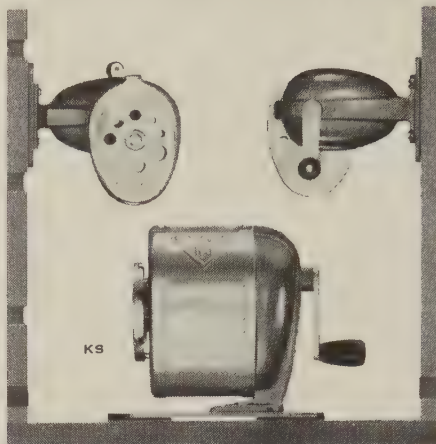
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of the responding 434 firms use it. Here's a typical example of how firms use this method. In the words of one president:

"We believe that an exempt employee has an obligation to work overtime as a normal requirement of his job. If he falls behind in his regular work and has to make up by working extra hours, we don't pay him at all; it's his obligation, for which he is more than adequately compensated in his base salary."

"But if we have additional scheduled overtime, ordered in a whole department, it's obviously not the supervisor's fault. Then we think he deserves something, and we pay him his straight weekly rate, converted into an hourly rate, for the time he puts in over 40 hours. Since he seldom works overtime, the exempt employee almost always has a bi-weekly paycheck 20% or 25% higher than the highest paid non-exempt employee he supervises."

This philosophy, or a slight variation of it, represents the general feeling among firms that use the "straight time" plan.

This plan, the survey shows, works well for firms that do not have a lot of overtime work and that are too small to bother with the more sophisticated overtime payment plans.

2 "Time-and-a-half" plan

The time-and-a-half method is the second most popular way to compensate salaried employees for overtime. It is used by 53 of the 434 responding firms.

Here's how, and why, one company uses it.

"We pay our factory supervisor time-and-a-half because there is a great deal of overtime work to be done. Since the production workers are getting time-and-a-half over 40 hours according to the Fair Labor Standards Act, and time-and-a-half over eight hours per day on public contracts work, the non-exempt production worker often has a very high paycheck which could bring him up above his foreman. Also, the production worker in our shop gets double time for Sunday work and triple time for holidays. It's a awful situation when you have

man supervising 15 or 20 people and they are making more than he is.

"We feel the least we can do is pay the foreman time-and-a-half. We haven't yet gone to paying him premium compensation for Sundays and holidays, but we may have to do that, too, if overtime work remains as heavy as it is. But we are very careful to pay the foreman only for overtime that we schedule ourselves. We do not pay him for casual overtime made necessary by his own responsibilities."

3 "Two Step" plan

The two step plan is actually a combination of the straight time and time-and-a-half plans. In its simplest form, the two step method grants time-and-a-half to salaried employees earning a low base rate, and straight time to employees who have a higher base salary.

There are, however, wide variations in the way different firms apply this two step plan. Some do not use either straight time or time-and-a-half rates. Instead, they'll set a specific dollar figure to be paid for each hour a salaried employee puts in over 40. To get an idea of how many ways the two step plan can work, examine the reports that follow. Each report comes from a different company. They are presented in capsule form, paraphrased from the actual remarks each company put down on the questionnaires returned to AMA.

Plan number one: We pay time-and-a-half or \$5.20 an hour, whichever is less, to those earning under \$10,600 per year.

Plan number two: Employees who earn less than \$125 per week are paid straight time for overtime. We pay half-time to those earning a weekly salary of less than \$150 but more than \$125. We don't pay overtime to anyone who earns over \$150 a week.

Plan number three: Those earning more than \$8,000 per year are not eligible for overtime compensation. If the base salary is \$5,200 per year or less, overtime is paid at time-and-a-half. If the base rate is over \$5,200, we pay \$3.75 per hour for overtime.

Plan number four: For a man

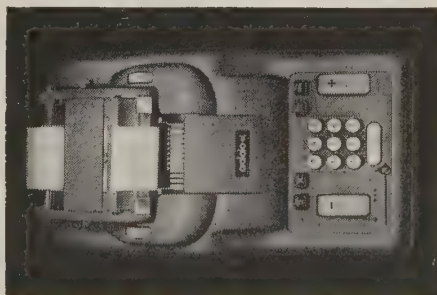


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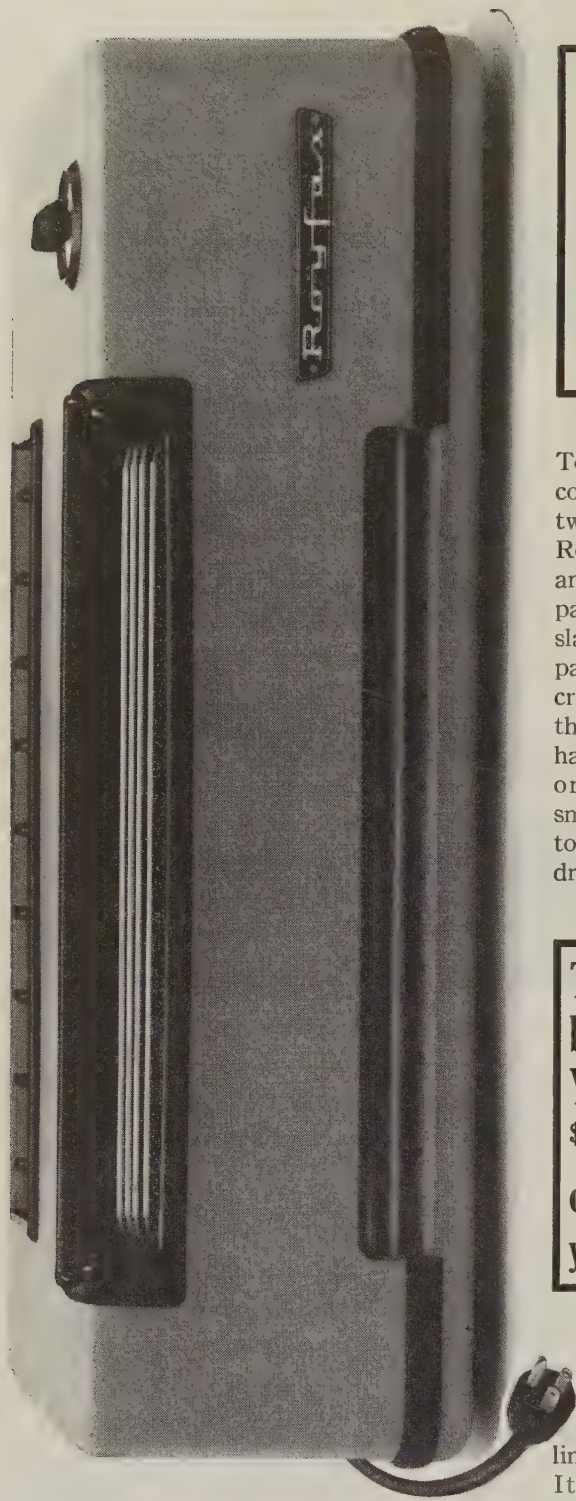
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who makes up to \$500 a month our firm pays for overtime at time-and-a-half rate in scheduled blocks of four hours. Employees who make over \$500 a month are paid \$17.31 for each scheduled block of four hours overtime.

Plan number five: Our exempt factory and clerical first line supervisors, plus our lower level salaried professionals, receive overtime payments in accordance with procedure for non-exempt salaried employees. (Basically, that means time-and-a-half for overtime with premiums for Saturdays, Sundays and holidays.) It's different for our second level supervisors and salaried professionals below the managerial level. They receive no daily overtime, but are eligible for premium payments for work performed on Saturdays, Sundays and holidays. The premium payments are computed from an actual structure rate, and the dollar amounts are based on whether the work was performed on Saturday, Sunday or a holiday, and whether the employee worked less or more than six hours.

Plan number six: Exempt employees who earn less than \$400 per month receive time-and-a-half of their equivalent hourly rate for overtime. Employees who earn between \$400 and \$1,000 per month get time-and-a-half of their equivalent hour rate of the first \$400 salary and the hourly equivalent of straight time for the remainder of the salary over \$400. We don't pay any overtime to employees who earn more than \$1,000 per month.

Plan number seven: We don't pay daily overtime. Exempts are paid only for a full day of scheduled overtime. Men with base rates of \$404-789 per month receive \$40 per day. For those with a base rate of \$572-\$1,103 per month, we pay \$40 per day. Men with higher base rates are not paid overtime.

Plan number eight: Up to a base rate of \$135 a month, we pay time-and-a-half for overtime. Everyone with higher monthly rates gets \$1 an hour.

Here's a brief summary of the trends in this basic two-step method of paying overtime to exempt employees:

■ Lower income exempt employees (those earning \$125 or less weekly) get time-and-a-half for overtime.

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Higher income exempts most
 get a flat fee per hour, per
 y or per week of extra hours.
 alternate is straight time for
 ertime.

Concerning cutoff points, \$1,000
 r month is the most common.

Anyone earning \$12,000 annually
 these companies is considered to
 in the management group and
 not entitled to overtime pay, even
 straight time or less.

“Scales of payment” plan

The scales of payment method is
 thing more than a sophisticated
 o step plan; it just has several
 ditional gradations.

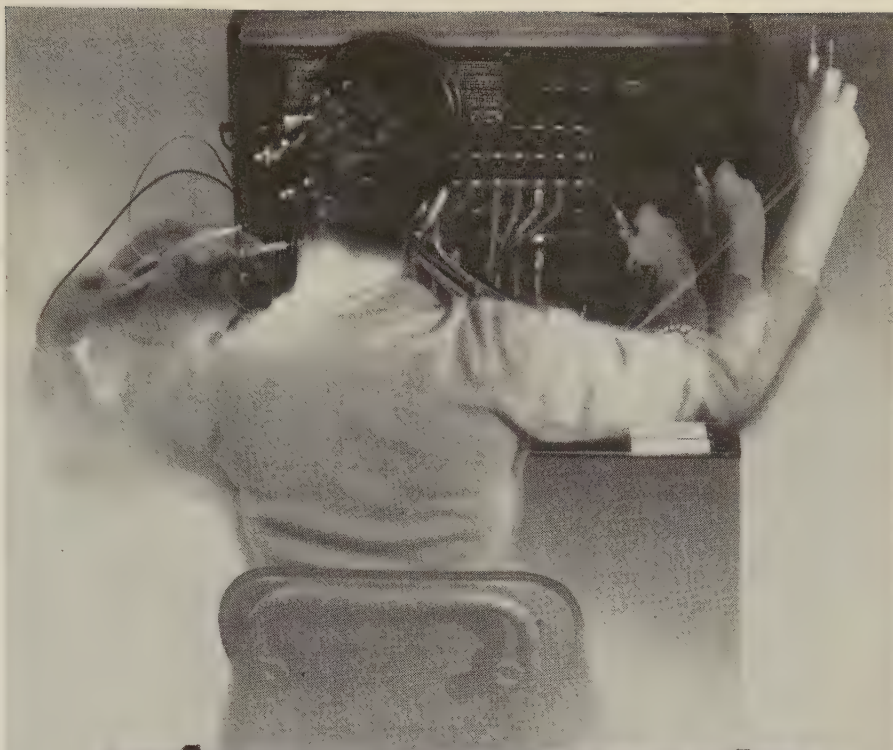
Here's the basic principle behind
 s plan: employees who receive
 rly low base salaries (junior su-
 rvisors, for example) are entitled
 some overtime compensation.
 ose who earn a higher salary
 ould not receive so much over-
 ne pay, and employees in the
 gher brackets should receive still
 s, until a cutoff point is reached.
 ter that, no overtime compensa-
 n should be paid.

The following capsule plans illus-
 te this principle.

Plan number one: When we have
 extend our workweek to 45 hours
 more (40 hours is the normal
 eek), hours in excess of 40 are
 id as follows: hourly rates are
 ultiplied by factors ranging from
 5 for base salaries of less than
 000 to 0.5 for base salaries of
 250 to \$8,449; no overtime pay
 r higher base salaries. In other
 rds, our overtime payment scale
 s from time-and-a-half for over-
 ne to one-half the regular hourly
 e.

Plan number two: We have three
 ales in our overtime payment
 n. Exempt employees up to the
 partment manager level get time-
 d-a-half for overtime. We pay
 0 per day for scheduled overtime
 department managers and sal-
 ed professionals who earn up to
 00 monthly. Those who earn \$600
 over monthly receive \$35 per
 y of scheduled overtime.

Plan number three: Our over-
 e payments are based on the
 y employee's salary. Except for the
 t three scales, the dollar amount
 overtime payments decreases



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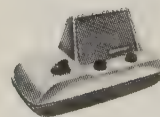
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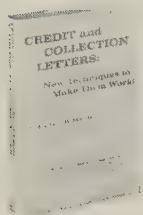
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as the individual's base salary creases. For example:

Weekly base rate	Overtime rate
\$126-130	\$4.70
131-140	4.75
141-170	4.80
171-180	4.75
181-190	4.70
191-195	4.40
196-200	4.00
201-205	3.50
206-210	3.15
211-215	2.75
216-220	2.20
221-225	1.60
226-230	1.20
231-245	.60
246 +	no payment

Plan number four: Under usual conditions and pursuant special authorization, when required to work a full additional day or its equivalent, we compensate exempt employees for overtime in this manner:

Annual salary	Overtime pay per week
Under \$3,000	\$15
3,000-3,999	20
4,000-4,999	25
5,000-6,499	30
6,500-9,999	35
10,000-17,325	40

When exempt employees are required to work less than a full additional day or the equivalent thereof, they will still receive overtime pay, but the amounts will proportionally reduced.

Plans number three and four illustrate a factor common to scale of payment plans and most two step plans: overtime pay as a percentage of base salary declines as the salary increases.

Some of the firms answering the survey use sliding scales for the entire group of exempt employees except top management. This is particularly advantageous system for the large company. It allows a greater range of exempt salaries. It also has a certain fairness obtainable under other compensation arrangements.

Other overtime pay plans

Besides the four methods discussed above, there are essentially three other methods of compensating exempt personnel for overtime (Some companies have devised s

al systems, unique to themselves, (it this is not a common practice.)
Equal time off. Only nine of the 4 firms which do compensate in the manner grant equal time off. The reason more do not is that if equivalent time off is granted, the overtime problem may perpetuate itself. That's one reason why most companies that grant equal time off use this rule: equal time off is to be taken only when the company can afford it.

Experience shows that the equal-time-off plan works best for the small firm that does not have a great deal of overtime work.

Flat fees. Four companies reported that their overtime pay to exempt employees consists of flat fees and percentages of salaries not equal to straight time or time-and-a-half.

In substance, these plans are not meant to grant premium pay for overtime hours worked. Rather, they are intended to maintain pay differentials between supervisors and their crews, and to preserve equitable relationships between the earnings of supervisors and administrative, professional and technical employees who do not have supervisory positions.

Year end bonus. Only two firms reported this method of overtime compensation. Both reported that they consider the actual amount of overtime work when calculating the year end bonus of an employee. In the first firm, this system is used for all exempt personnel. In the second, only top management is considered.

Reports AMA, "This seems a rather oblique way of handling the overtime compensation problem, though it may work well for a limited group."

Summary of findings

Of the companies that grant overtime compensation to exempt personnel, the most common practice is to pay all such employees except top management.

Straight time is the most popular method of overtime payment, regardless of the type of employee.

Company size seems to determine the compensation method used. Smaller firms in the survey tend to rely on the straight time and time-and-a-half plans, while the larger firms turn to the more

sophisticated two step and scales of payment plans.

One sidelight: while the salaried professional may not be a supervisor and may not participate in the management of the firm, he still may have to work a good deal of overtime. Granting him overtime pay can be very important if a company wants to keep valuable specialists in a labor market where attractive offers from other firms are constantly received.

Many managers don't feel it is necessary to pay overtime to any exempt employee. Good production scheduling, they believe, should make overtime rare. Salary scales should be planned so as to give any

exempt employee a base pay equitably higher than that of a production or clerical worker, even if the non-exempt employee is paid the usual time-and-a-half for work over 40 hours a week.

The standard rule of thumb used by most managers is that a supervisor—the most common type of exempt employee—should have a total compensation at least 20% above that of anyone he supervises.

However, if heavy workloads mean a good deal of overtime for production and clerical workers, the plans outlined here can help you to keep supervisory salaries in line, and avoid morale and turnover trouble. ■



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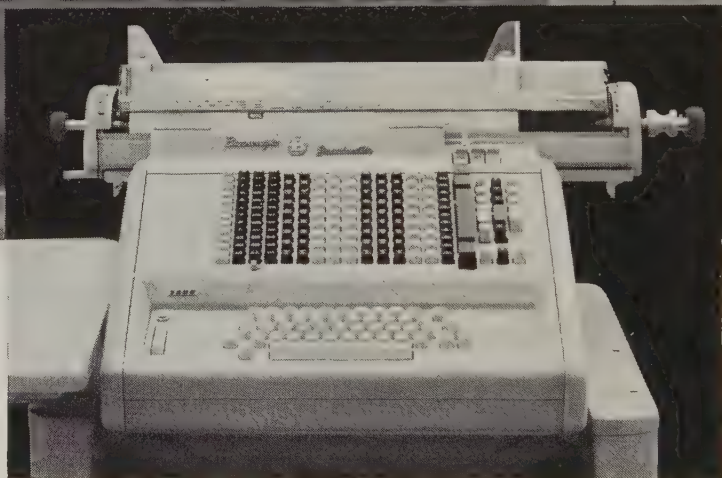
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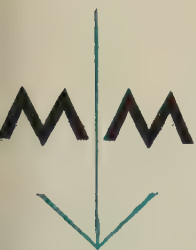
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Manager asks expert

by Dr. Robert N. McMurry

WHY DON'T MY MANAGERS STAND UP ON THEIR OWN?

Question: I see in the November issue of Management Methods that you want questions from readers. All right, Dr. McMurry, I've got one for you.

I've just come from one of our monthly "idea" meetings. I began these sessions a couple of years ago, on the advice of several business friends who suggested that I give this thing called "democracy in business" a try. At these meetings, I've asked each man to comment honestly about how he felt the company was being run, and also to bring up any new ideas he might have. I'm the president, but I've tried to make it clear that I'm perfectly willing to listen to another man's ideas, even if they disagree sharply with mine.

Today's meeting was typical of what happens over and over again. Nobody volunteered fresh ideas. The discussion was vague and ambled over general areas until I came up with an idea on our inventory control procedure. You should have seen everyone hop on the bandwagon. I know I'm not right all the time, and I'm sure my ideas aren't always the best, but nobody seems to disagree with me or wants to carry the ball on his own. What would you do, if you were in my shoes?

Answer: I'm not in your shoes, but I'll tell you what you can do. You can recognize that you are the boss and go back to behaving like one.

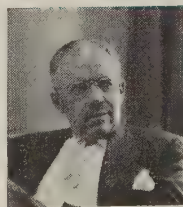
There has been a lot written about "democracy in business." Most of it is pure fol-de-rol. Theories are fine—provided they work. But most of the proponents of "democracy in business" have overlooked two very crucial facts—

one about bosses, and the other about subordinates.

It takes a very special kind of boss to be able to tolerate true independence among those who report to him. Most executives, whether they are aware of it or not, deeply resent or even fear anyone who expresses views that are contrary or critical.

One company president I know urged his subordinates to comment on one of his pet schemes. A relatively new man had the temerity to speak up against it. At the conclusion of his remarks there was a crushing silence. Then the president said, "It is obvious, Mr. Smith, that your ideas are quite at odds with those of the other members of our executive team. Since this is so, and since we place so much emphasis on close teamwork, I shall expect your resignation. Meeting adjourned!"

Of course, not all bosses react so immediately and so openly. In another case I know, the final firing didn't come for a year and then on the basis that the man lacked the necessary social graces—his only sin was wearing argyle socks! Most

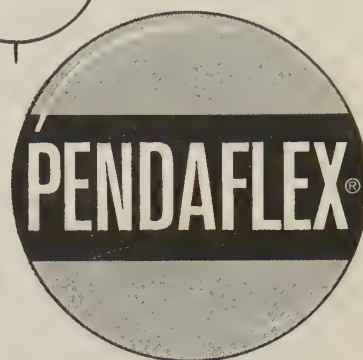


About the author

Dr. Robert N. McMurry is a management consultant and psychologist with 25 years of experience in solving business problems concerning people. His new book, McMurry's Management Clinic (Simon and Schuster, 1960, \$4.95), contains solutions to scores of common "people problems."

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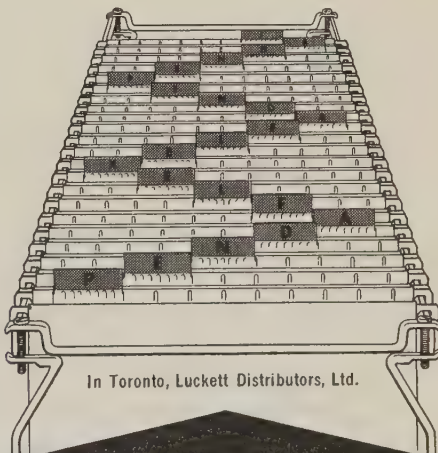
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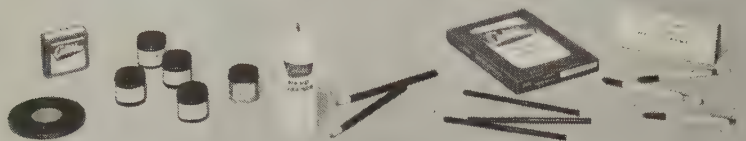
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subordinates are wise enough to realize that sooner or later the typical boss will find some "good excuse" for ridding himself of an "obstreperous" junior.

As far as the attitude of subordinates is concerned, proponents of "democracy in business" overlook the fact that most subordinates really do not *want* to participate. Far from bubbling over with new ideas they can hardly wait to in part, they are actually quite uncreative and uninterested. They enjoy being told what to do and it is genuinely upsetting to them to be asked to think through high-level problems and suggest risk-taking decisions.

The mere fact that your subordinates reacted with silence to your overture suggests that it was so out-of-keeping with both your personality and theirs as to seem ludicrous to them. Evidently they were right; and, if I were you, I'd go back to "doing what comes naturally."

Does this mean you'll never be able to get any ideas from your men? Not at all, *provided* you use them primarily as an information-giving group *before* you actually make the decision and *further provided* that you make it very clear to them that you will take full responsibility for making all decisions. That way they'll contribute what they can and know they are not risking business suicide.

WHY DO PROMISING YOUNG MANAGERS QUIT AFTER COMPLETING OUR TRAINING COURSES?

Question: We have a rather extensive (and expensive) management development course. It is about six months long. Lately we've been having problems. Many of our promising men quit as soon as they discover that they are not going to be promoted to a high job immediately. What's the matter with young men today? Don't they realize they have to work their way up to a responsible job?

Answer: A good management development course is a substitute for a long business apprenticeship, not an additional starting hurdle. The basic idea is to give trainees all the technical and administrative know-how they can readily absorb from books and from other people.

summaries of their experience. When you turn them loose and let them learn the rest on their own. Well-qualified men will do this very quickly, provided they are given true executive responsibilities right from the beginning. Unqualified men never will—even if you wait ten years before letting them carry the ball. The technique on which you insist is losing you the well-qualified men. And, reversing this idea, the men who are staying probably don't have the drive and ambition you want to see in our younger executives.

This being so, why not quit kidding yourself and cut out this management development program?" From the facts you give, there is no doubt in my mind that the men you are training are better than the training program—which seems well designed to glorify workers. Since you can't seem to forget how hard you worked and struggled on menial jobs before you broke through to the executive ranks, scrap your program and let our younger executives follow the same rough road. Of course, this may seem to be a little "old-fashioned," but for my money it still has a lot of merit. There's much that is good about new techniques and practices, but it's often a mistake to throw out proven practices in favor of a program that appeals to you on the basis of newness or uniqueness alone.

Your present hodge-podge of the two basic approaches is completely unworkable. It's like waiting in a relatively short line for a table at a restaurant—only to find that this brief wait is but a prelude to a much longer wait in a line around the corner. Small wonder so many of your trainees take one look at our "second waiting line" and leave. Abolish the program, and advance them on merit and push. Don't that the way you came up to the top? ■

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Diners' Club Magazine: "Fascinating book . . . even gives advice to the executive's wife on the subject of lessening home tension."

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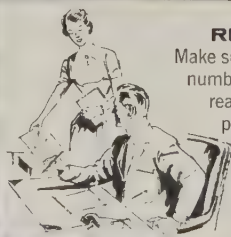
370



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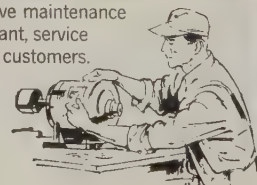
REPORTS

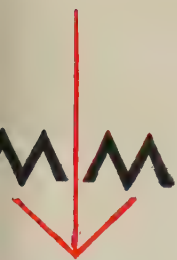
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SATURATE PLANT WITH SAFETY REMINDERS

Suddenly at Gates Rubber Co., safety rules were everywhere. Workers looked—on bulletin boards, the company newspaper, in special newsletters, on pocket sized cards.

An article in the plant paper set the theme of the promotion. It told of a clumsy father who stuck himself with a safety pin while changing his child's diaper. The safety pin became the reminder that protective clothing, equipment and devices are only effective if used properly.

Safety pins were used to post cards in each department. These inch signs displayed one rule for 10 days. Then it was replaced with another rule.

After the safety drive had run several weeks, a contest was announced. The entry blank carried the 16 safety rules with a key word omitted in each.

Contestants filled in the missing words along with an estimate of the company's accident rate—carried to the fifth decimal place—for the four-month period coinciding with the contest's close.

Progress News carried a rundown of how the accident frequency rate was figured. It emphasized no slide rule calculations were needed. It told workers simply to pick a number from one to 14, place a decimal point and five figures after it.

The article recommended a low estimate and a safety performance from everyone to make the prediction accurate.

The 10 people closest to the actual accident rate were winners,

provided they knew all the missing words in the 16 rules.

Safety Director Earl E. Goldsmith reports the saturation safety campaign worked. Workers focused on the rules and remembered to follow them.

Here's a way to

SPUR SALES WITH WACKY AWARD

Evidence to support the value of a well planned sales contest was General Electric's experience with a "Sell the GE Seal in '60" campaign.

As a direct result, transformer sales zoomed throughout the country, with the top district reaching 218% of quota.

At the start of the campaign, Marketing Manager J. M. McDonald announced a secret award—one no sales organization had ever won before.

GE adopted a gold seal as a selling theme to symbolize "Certified Full Value" medium transformers.

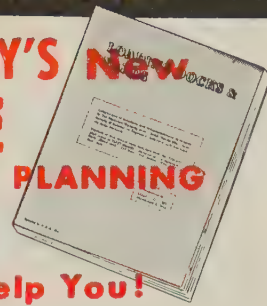
The secret award for the best job of selling the seal turned out to be a seal. Not just any kind of seal, but



Real live seal was secret spur in recent "Sell the GE Seal" sales contest.

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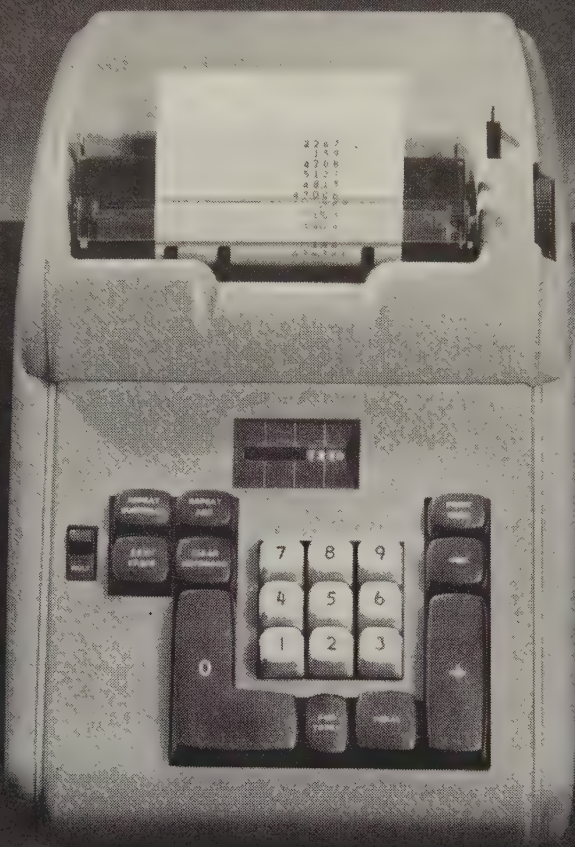
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(Circle number 136 for more information)

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Notice the little window above the keyboard? No other ten-key adding machine in America has it. This "Check Window" allows the operator to see her mistakes before she makes them.

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(Circle number 105 for more information)

the barking, ball balancing, fishing kind.

South Atlantic salesmen, opening out of Charlotte, more than doubled orders needed to fill the quota—and copped the seal.

Here's a way to

HELP DEALERS POLISH UP SALES APPROACH

Armstrong Cork Company has a novel method to capture an audience and clinch a sales message.

At its exhibit booth at the Louisville Mobile Home Show, free shines were offered to dealers. While receiving the shine, the dealer viewed a sound-slide film on how to polish up tactics for selling Armstrong products.

The same idea might be used by an intrepid salesman to get a foot in the door of hard-to-see prospects. He could ask the secretary to relay this message: "Tell him I'll take more time than it would take to give him a shine. In fact, I'll give him a shine!"

Here's a way to

DECLARE A DIVIDEND ON WAGES

Eastman Kodak has found a dividend on wages an effective device to cement employee loyalty and productivity. In fact, it has worked so well that wage dividends have been regularly declared ever since founder George Eastman instituted the incentive device in 1912.

Your company might find a similar approach to be a successful motivator for workers. Here is the pattern of the Kodak plan.

To participate in a dividend, an individual must be on the payroll on the last day of the business year. Temporary layoffs do not disqualify anyone because dividends are apportioned for time spent on the job.

The wage dividend is based on annual dividends declared on common stock and on the worker's earnings over the five preceding years. Such earnings include regular wages, overtime, sick and vacation pay, suggestion awards and tuition refunds. Prior dividends are included.

To use 1959 as an example, when \$1.80 a common share was declared, each eligible employee received \$34.50 for each \$1,000

...rned during the last five years.
Broken down, this represents
...% for each 10 cents of stock divi-
...nds declared between 35 to 90
...nts per common share; plus 0.1%
...each 10 cents from 90 cents to
...40; plus 0.05% for each 10 cents
...om \$1.40 to \$2.20.

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...ent investment. Experience at
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...mated system works. Statistical
...ta is collected and summarized.
...a operator enters on the Snychro-
...monroe punched tape adding ma-
...chine the accounting codes and
...ounts. The perforated tape is
...en immediately processed by an
...tside service bureau. Printed re-
...rts are returned to serve as the
...tual schedule of payroll costs and
...neral ledger figures. Filed by
...onth, these reports become—
...hout recopying—the company's
...tual records.

Besides greater speed, accuracy,
...d maximum accounting detail of
...e new mechanized system, many
...ne consuming steps have been
...minated. These include posting
...d balancing of ledgers, prepara-
...n of trial balances and financial
...tements.

As a direct result, one of three
...counting employees has been as-
...igned to another position, and tem-
...rary recruiting of help for up-to-
...te statistical reports is a thing of
...e past.



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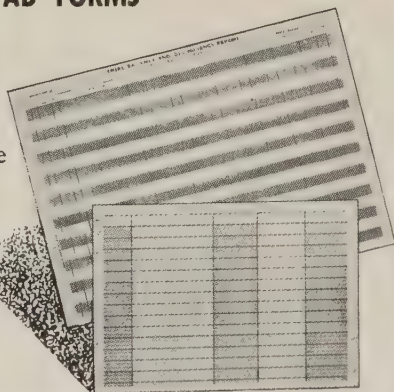
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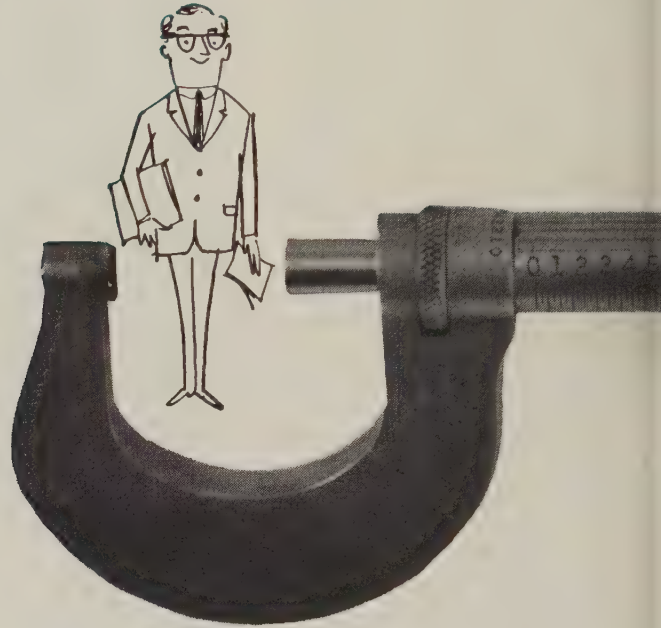
Street

City State

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Better ways to measure

by **C. Wilson Randle** and
Willys H. Monroe, *Partners*
Booz, Allen & Hamilton



No executive can give his best work if he isn't told how he is doing. Yet some companies never bother to measure executive performance. Others use weak or inaccurate rating methods that often do more harm than good. In this article you will find examples of some of the newest, best methods that alert firms now use to pinpoint how their key managers measure up. This report is based on a major research study that was recently completed.

An accelerated interest in better ways to evaluate executives is rising among managements of leading companies. This increasing concern does not arise solely from the unavoidable necessity of appraising and selecting managers to replace those lost through resignation, retirement, termination, or other causes. Inter-

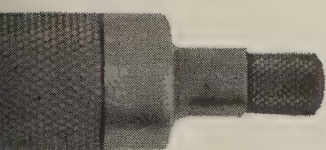
est in appraisal also reflects the growing crisis of filling management jobs in the 1960's.

For one thing, a recent study of executive ages discloses that 60% of the incumbent top management personnel will have to be replaced over the next 10 years.* A predicted 50% increase in Gross National Product by 1970 not only will

have to be achieved with this turnover of nearly two-thirds of managerial talent, but the most eligible management group (30 to 40 years) will actually decrease in population in the next 10 years.

*"A COMPARISON OF EXECUTIVE AGES 1949-1959," Booz, Allen & Hamilton, October 1960.

executive performance



...nding the best executives in a
...rking universe of possibilities
...ay well become the primary man-
...ement problem of the approach-
...g decade. The job is obviously not
...ing to be an easy one; in fact, as
...ne passes, it will become more
...d more difficult.
Small wonder, then, that com-
...nies are looking for means to
...ake appraisal of management tal-
...t more effective. All have "ways"
...appraise—ranging from supervi-
...ry opinion to more formalized
...proaches. Although it is true that
...ost companies still rely solely on
...persory judgment, the more
...gressive companies have turned
...a better rounded and more ob-
...jective approach. For example, a
...tailed survey of some 136 plans
...companies falling in this latter
...oup discloses that more than 80%
...ve adopted a more sophisticated

appraisal program to ensure im-
proved executive evaluation.*

A step forward

In moving towards this objective, the majority of companies have followed the practice of looking at the manager's *traits* or characteristics by means of a factor and degree rating scale filled out by one or more persons familiar with the manager and his work. The more thoughtful companies employing this approach compare the *trait ratings* with position descriptions and man specifications as a basis of achieving a more informed judgment. This type of appraisal presumes that if you know "what makes up a man" you can judge his actual and expected job performance.

A step forward, utilized by a small but increasing number of companies, is the "hard bitten" approach dominated by the attitude, "we don't care what mixture of traits a man has as long as he gets the things done we expect him to accomplish. It's the end result that counts." Criteria used in this approach are such things as profitability of the company, division or department managed by the executive being appraised, the inventory turnover record achieved, customer service, methods improvement, cost reduction, improving market position for a product, meeting sales goals, holding expenses within budget, making a technical evaluation of a new material, reducing

lost-time accident rates, obtaining corporate financing at lower rates, making a merger analysis, laying out a five-year plan, reshaping corporate objectives, and similar things. It will be noted that these criteria are *work oriented* as contrasted to personality or *trait-oriented* approaches.

The concept is to define and measure the work accomplished during the time period under consideration. Every company—whatever its size or industry—has specific measurements that can be brought to bear upon the management person, whatever his position. It does take extra effort to identify and work out these criteria, but the appraisal yield is significantly improved by the effort. It should also be indicated that, as the appraisal moves from the more specialized positions in functional areas to general management positions, the task of establishing specific and definite criteria becomes harder.

The performance criteria should not be employed in a "general" way. The question is not whether the executive did well on a task, but *how* well? Interest is in the *degree* of accomplishment attained. If a goal was not met, what was the goal and how close was the actual performance? Thus, position expectancies or goals must be carefully delineated ahead of time, and the company records must disclose the specific achievement against these pre-set goals.

The approach

Methods to achieve the suggested position measuring criteria vary from company to company in ac-

*"SURVEY OF MANAGEMENT APPRAISAL PLANS," Booz, Allen & Hamilton, January, 1960.

cord with their own particular needs. However, the following simple procedure illustrates the approach.

1. Set performance goals. At the start of the time period—usually the start of the fiscal or calendar year—a list of the key results which are expected to be accomplished by the management person during the year are drawn. These goals might be in the form of specific and quantitative results such as profitability, share of market, reduced costs and product improvement; or they might be in less tangible terms of managerial success as evidenced by such criteria as successor development, organization improvement, policy determination, and the like. These targets can be established through a conference of the supervisor and the executive or by a management committee—

About the authors

C. Wilson Randle has been with Booz, Allen & Hamilton, a leading management consulting firm, since 1952. Earlier, he served as dean of the School of Business, Western Reserve University. He holds a Ph.D. degree from the University of Kentucky. As partner in charge of management research at Booz, Allen & Hamilton, Wilson Randle has observed practical methods of management applied in scores of business organizations.

Willys H. Monroe was named a partner of Booz, Allen last April. He joined the firm in 1952 after serving as senior consultant with Psychological Corp., and as a personnel administrator at Bigelow-Sanford Carpet Co. He is a graduate of Yale. In his new capacity at Booz, Allen, he serves as specialist in charge of management appraisal and development on a firm-wide basis.

Note

Other ways to measure executive performance are covered thoroughly in a new, 119-page research report published by the American Management Association. Called Setting Standards for Executive Performance: AMA Research Study 42, the book gives the detailed experience of five major corporations. Copies are available at \$3.75 from the AMA, 1515 Broadway, New York 36.

whichever best meets the company's pattern of operation. The important accent is to establish specific performance objectives and secure the agreement of the management person involved that these are fair, realistic and attainable and within the scope of his responsibility and authority. Impossible goals are frustrating and discouraging. Of even greater significance, however, is surety that the goals are high enough to "stretch" the ability of the executive. This will keep him growing and will redound to both his benefit and that of the company.

Caution should also be levied that performance expectancies be set with regard to the prevailing economic circumstances, the approaching competitive situation, special market conditions, subsequent contract (both labor and other) negotiations, and conditions within the executive's own area of operation. The business climate in which an executive operates has a marked effect on his performance. If, for example, he manages a new division with a "hot" new product, expectancies can be higher than for an "old line" division with a strongly competitive situation. If steel is in short supply because of a strike or otherwise, no amount of ability exercised against the position will be likely to push production ahead. If an executive is already running a "taut ship," possible improvements may be small. If the operation is "loose," possible improvements may be significant. If the economy is recessed, sales probably aren't going to meet last year's record. These extenuating economic and business conditions need careful evaluation and reflection in the position goals established.

2. Record performance against goals. Both during the interim, as well as at the end of the year, accomplishments against the established goals should be recorded and communicated to the concerned executive by his superior. Accomplishment can be recorded frequently against some goals but other performance can be tabulated only at the end of the year. Wherever a continuous or running

record of work accomplishment can be kept, this is advisable since it provides the executive with a continuing basis for making adjustments and improvements as he goes along. It also provides a basis for the superior's counseling with the executive on how to achieve improvements.

3. Counsel on progress against goals. The superior should counsel with the executive on his achievements against set goals as frequently as this appears necessary and desirable. It will be wise and feasible to do this more often for some performance areas and less often for others.

Two purposes should motivate this counsel. First, by providing advice and assistance during the year the superior can improve the performance of the executive against established goals. This will be reflected in a better appraisal result with obvious advantages both to the concerned executive and to the company.

Secondly, by working closely with the executive and sharing thoughts, approaches, and plans with him, the superior achieves more insight and knowledge of the man and can make a more intelligent and qualified appraisal than under circumstances where close counsel does not prevail.

4. Review final results against goals. Both the executive and the superior should study the final results carefully to determine the reasons and the conditions, both controllable and non-controllable, which caused certain performance to fall short (if this is the case) of the expected goals. In conference each performance area should be examined and discussed and an agreement reached as to the corrective factors back of the performance. Agreement should be stressed. Going along with a dominant supervisor—contrary to one's honest beliefs about the matter—no way to achieve a really full executive effort to improve performance.

It should be noted that the development and proper use of performance criteria as an appraisal device is a process which requires

CONTROL AT

AMERICAN PRESIDENT



James D. Short, Supervisor of Tabulating, American President Lines

We did away with 300,000 postings!"

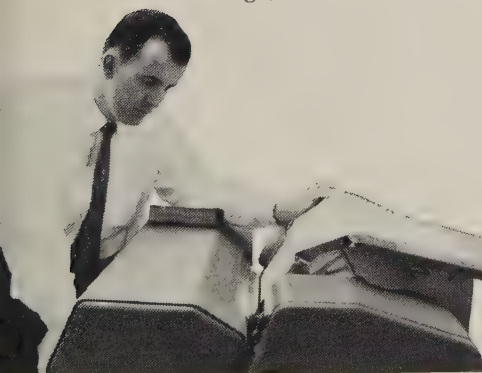
THE SETTING: American President Lines operates 30 cargoliners and 5 passenger liners. To make up voyage revenue and budget reports, the company collects and sifts mountains of data from scattered ports all over the world.

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THE SYSTEM: Data received is put on punched cards. An electronic accounting machine processes the cards, converting to U. S. standards, and prints the information on a daily summary sheet, an interim revenue report. This is revised daily as new figures come in and, in its final stage, is the final accounting.

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Figure 1.

PERFORMANCE APPRAISAL

Name _____ Date of Last Appraisal _____ This Date _____

Position or Title _____ Office or Division _____

Date of Birth _____ Joined Company _____ Began Present Duties _____

I. RESULTS ACCOMPLISHED

What has this individual achieved in observable results since his last appraisal? To what extent can the present status of his office or division be attributed to him? Consider quality, quantity, costs for which he is responsible, meeting deadlines, etc. Cite facts and figures whenever possible.

For example, and where applicable, consider such reports as:

Overtime Turnover Over & Short Audits Customer Comments

Income & Exp. Analysis Routine Control Book Ratings of Others

Employee Morale

II. BUSINESS DEVELOPMENT

	<u>Leads</u>	<u>Interviews</u>	<u>Sales</u>	<u>Deposits</u>	<u>Non-deposits</u>
19--	_____	_____	_____	_____	_____
19--	_____	_____	_____	_____	_____
19--(to date)	_____	_____	_____	_____	_____

Figure 2.

APPRAISAL OF PERFORMANCE

Name _____

(Last name) (First) (Initial)

Present position _____

Date _____ Age _____ Joined company _____ On present job _____

APPRAISAL OF RESULTS

(Review This Individual's Performance in Terms of Measurable Results Accomplished Since His Last Appraisal. Consider Each Area of Position Responsibilities as Defined in the Management Position Guide for This Position. Consider Quality, Quantity, Cost and Time Element of Work. State Facts and Figures Wherever Possible. Be Specific.)

I. OPERATIONS

II. ORGANIZATION

III. PERSONNEL

IV. FINANCIAL

continuing experimentation and "tailoring" over a period of years before preciseness is achieved. Ideally, "standards" of performance should be sought in which variations from standard (good and bad) are the concern of appraisal. In establishing such a system of appraisal, some companies have found it helpful to adopt a philosophy that "it's better to have a crude yardstick than none at all" as a first step and to seek refinements in measurement in ensuing years.

Approaches to performance appraisal

The evolution of a more empirical approach to performance evaluation is clearly visible in prevailing company plans. Also noted is the rather interesting variety of approaches as companies seek a performance appraisal method most suited to their particular needs.

1. **Open end approaches to appraisal.** There are a number of company plans which can be called "open end" performance evaluations. They are so termed because the appraiser is asked to supply whatever specific performance evidence he feels is pertinent. Some suggestions of things to be looked at are supplied, but the primary responsibility for the evidence to be observed is left open. Moreover, the appraiser is not asked to evaluate the man against pre-set, empirical accomplishment expectations. The closest approach to the latter point is asking the appraiser to judge the man against the position's responsibilities. Two examples are shown as illustrative of this approach.

Figure 1 shows an approach employed by the County Trust Co. in Westchester, N.Y. The first section deals with identification of the individual to be evaluated, his position, age, and length of service. Such information is basic if the evaluation is to have the correct focus.

The second section of the appraisal has to do with seeking specific evidence of results accomplished. Earlier approaches in the evolution of this form did not have the examples shown here. The more "open ended" approach of the

Points to be noted from this approach are the qualifying information required to identify the person being appraised, the obvious move to encourage the citation of specific and measurable accomplishments (improved by suggestions of examples of reports to be examined for such evidence), and the highlighting of a special area of accomplishment for accent.

The major point added by this second example is requiring the appraisal to be made against full position responsibilities. The first example, of course, moved in this direction by asking for consideration of "quantity, quality, costs for which he is responsible . . ." but not so completely. If the position responsibilities in the second company tend to be specific rather than general—the appraisal will likely be better.

Figure 3.

PLANT MANAGER

RESULTS EXPECTED	ACTUAL RESULTS ACHIEVED
1. Production to meet monthly requirement schedules within plus or minus 9%.	1. Production averaged within plus or minus 7.8%
2. Hold scrap loss to 5% and defective returns to 2%.	2. Scrap loss was 4.8%. Defective returns were 1.9%
3. Install division-wide methods improvement program. Reduce overall direct labor cost 3.5%.	3. Direct labor cost up 2.6%. Only minor improvements made.
4. Get five times turnover of raw and in-process inventories.	4. Inventory turnover was 3.7 times
5. Complete modernization program at plant within limits of authorized appropriation by January 1, 1960.	5. Work completed December 15, 1959, at \$2,814 under appropriation.

Figure 4.

EVALUATION OF PRESENT PERFORMANCE

Name of Employee:		Branch:		Function: Operating	
Position Title:		Time on Present _____ Years Position: _____ Months		No. Emp. Supervised: _____ Salaried _____ All other _____ Total _____ Departments Supervised: _____	

A. Established performance standards measuring actual present performance for manager's branch against established reports:

Date assigned as branch manager _____

\$ (000) Chart A-Sales and Transfers

Fiscal Year 53-4 54-5 55-6 56-7 57-8 58-9 59-60

\$ (000) Chart B-Branch Profits

Fiscal Year 53-4 54-5 55-6 56-7 57-8 58-9 59-60

% Chart C-%Branch Profit to Sales

Fiscal Year 53-4 54-5 55-6 56-7 57-8 58-9 59-60

% Chart D-%Branch Profit to Investment

Fiscal Year 53-4 54-5 55-6 56-7 57-8 58-9 59-60

Figure 5.

DIVISION

NAME

POSITION

Age

Years with company

Years on present job

College attended

No. of years

Years experience in accounting

Buying

Credit

Operations(including warehousing)

Sales

Other (including other companies)

Divisions in which employed (and years)

Courses attended: Sales Management

Operations Management

Division Management

Others (including adult education)

JOB PERFORMANCE

	1957	1958	1959		1960
			Actual	Goal	Goal
PROFIT & LOSS DATA					
Total sales (\$000)	\$	\$	\$	\$	\$
Incr. -decr.	%	%	%	%	%
Gross profit	%	%	%	%	%
Operating expenses	%	%	%	%	%
Net profit	%	%	%	%	%
FINANCIAL DATA					
Inventory turnover (times)					
Actual to standard	%	%	%	%	%
Days sales outstanding					
Reserve to receivables	%	%	%	%	%
Turnover of net inv. & recv					
Return on net inv. & recv	%	%	%	%	%
PRODUCTIVITY DATA					
Average line extension	\$	\$			
Operating index-warehouse	%	%	%	%	%
-office	%	%	%	%	%
SERVICE TO CUSTOMERS					
Errors per 1000 items					
Omitted items (% total lines)	%	%	%	%	%
Invoice with the goods					
Prompt & dependable delivery					
Prompt handling of claims					
Special service on RX mdse.					

BUILDING FOR FUTURE-What steps have been taken during the past year to increase long-term profits in each of the following areas:

Management staff

Sales force - Number of sales trainees: Standard In training

To be hired Quality of selection and training

Method improvements

Maintenance of building and equipment

I ANALYSIS OF PAST YEAR'S JOB PERFORMANCE

Where goals were attained, describe what was done.

Where goals were not attained, describe the reasons.

II. PLANS FOR MEETING THIS YEAR'S GOALS

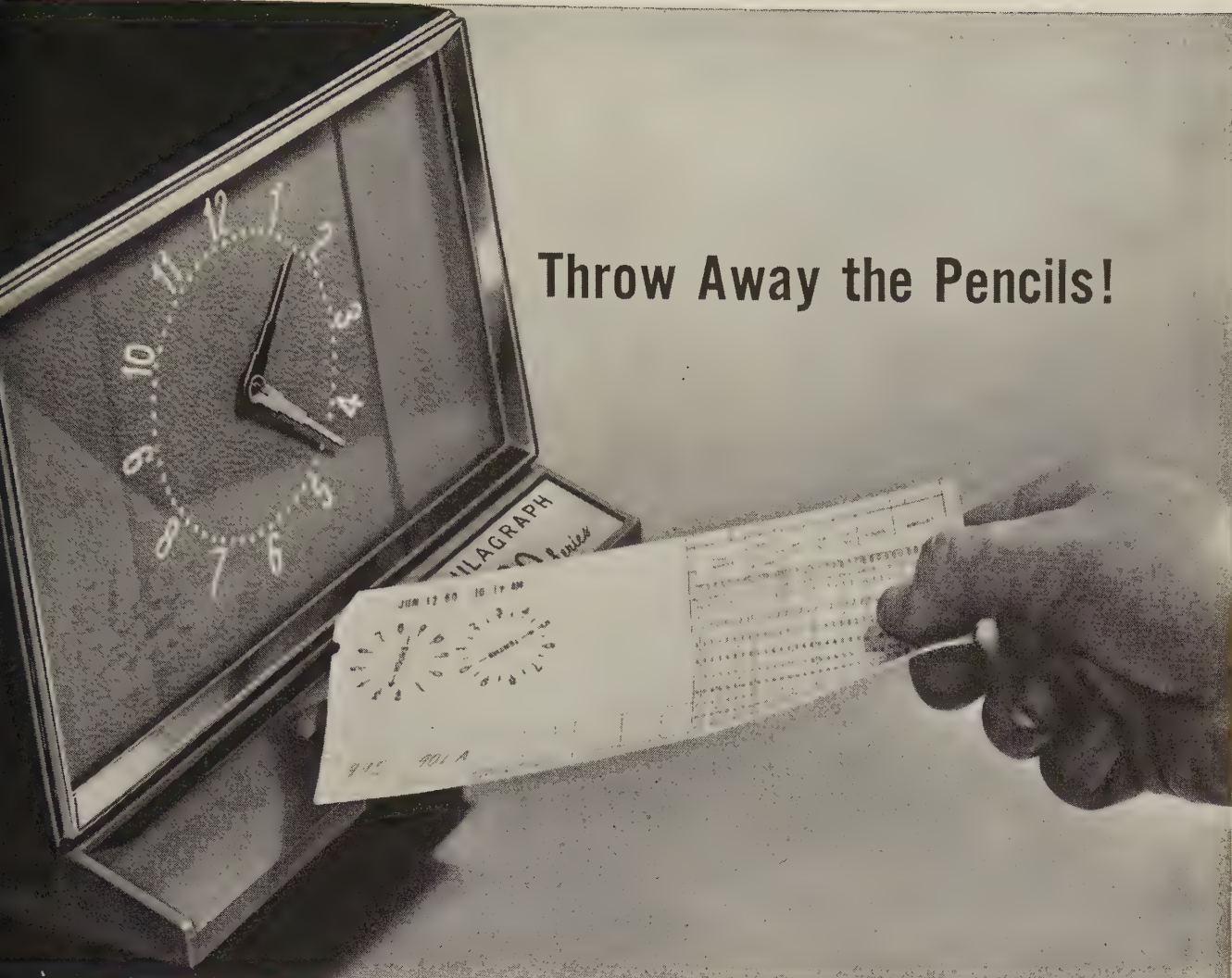
Describe your plans for meeting the goals for your job (see Part I) for the year just beginning in terms of things to be accomplished and improvements to be made. This is a plan of action for the year and a basis for periodically reviewing accomplishments and progress. Be specific. See Part I for items where goals were not attained last year. Indicate how each item is to be accomplished; what assistance, if any, is needed and from whom, show priorities, when each item is to begin, and when to be finished. Don't try to include everything, just the most important things.

performance criteria (or accountability factors). Standards, either absolute or relative, are provided. The discretionary selection of appraisal evidence which characterized the "open end" approach is avoided. The closed end performance evaluation is a further step in securing a precise measurement of performance. Such an approach may, of course, be poorly suited to certain positions or certain companies. Nonetheless, it can be considered a refinement in performance appraisal. Several approaches are illustrated.

Figure 3 illustrates the appraisal method employed by American Radiator and Standard Sanitary Corp. Of note are the specific expectancies laid out for the plant manager and his exact accomplishments against those expectancies. This approach is illustrative of the principle. More or fewer expectancies could be established, depending upon the character of the position or the nature of the company. It is evident that such an approach provides a very tangible and exact basis for talking performance. It is presumed that each expectancy will be examined and the external circumstances brought to light. It is important to note that the "judgmental" area is minimized and objective measures of performance are accented. Not much room is provided for evasive action.

Figure 4 shows one part of an appraisal approach of Fairmount Foods Co., a major food processor and distributor. This illustrates how "historical" charts of key operating and financial ratios can be employed in the appraisal process. Needless to say, one would employ only those ratios over which the person being evaluated has control and could affect by good or poor position performance.

Figure 5 shows a rather comprehensive approach to performance evaluation employed by McKesson & Robbins. Several points should be noted. The identification section of the appraisal is much more complete than is usually the case and should provide a sounder frame of reference for appraisal. The five areas of particular concern to the company are segregated for attention and ex-



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data are required under each. Actual performance for the year is compared with immediately preceding years and with the goal for the present year. Thus, the performance trend can be noted, as well as the degree of effectiveness in attaining present year goals. These trends and performance against expectation are considered in establishing goals for the year to come.

The second page of the appraisal form (shown as Part 2 of Figure 5) indicates a constructive approach now being used by a number of prominent companies. Here the executive being evaluated is asked to explain the bases of his accomplishment or lack of such, and his plans for meeting the goals established for the coming year. This provides the logic or the reason back of past and expected position performance. As a principle, this approach has much to commend it.

Figure 6 is an example of how a major chemical company goes about its position performance evaluation for plant superintendents. This approach is similar to the one just preceding, except for one or two points which emphasize other variations in approach. Of particular note is the comparison of the person being evaluated with others in comparable positions or functions. As will be apparent in the examples examined, the approach in most plans is the "absolute" one of looking at how the person has performed against the historical record or against present expectancies. In this plan, however, another facet is introduced—the "relative" appraisal or how the man looks when compared with others in similar positions or groups. This relative approach is an asset and worth considering.

3. The combined approach. As earlier mentioned, a number of companies have improved their performance appraisal by employing both a "trait" as well as a performance expectancy approach. The logic behind the combination approach is that it may help tell the company "why" along with "what" was accomplished. In addition, a case can be made that "trait" evaluation is useful in helping to forecast the potential success of the executive in another and higher position of different requirements.

Figure 6.

PERFORMANCE EVALUATION
(Plant Superintendents)

Date _____

Name _____ Location _____ Job title _____

Date _____ Time on _____ Date of _____

Employed _____ present job _____ last increase _____ Age _____

1. Quality control:

	Last year	Deviation from standard analyses Previous year	Rank	Last year	Percent within tolerance allowed Previous years	Rank
X	_____	_____	_____	_____	_____	_____
Y	_____	_____	_____	_____	_____	_____
Z	_____	_____	_____	_____	_____	_____

Over-all chemical control rank _____ Percent of shipped goods returned _____

II. Labor utilization:

Operation	Labor cost*per ton		Ranking in group		Number in group
	Last year	Previous year			
Wet mix	_____	_____	_____	out of _____	_____
Dry base	_____	_____	_____	out of _____	_____
Shipping of mixed goods	_____	_____	_____	out of _____	_____
Shipping of bulk goods	_____	_____	_____	out of _____	_____
Unloading	_____	_____	_____	out of _____	_____
Granulation	_____	_____	_____	out of _____	_____

* Labor Cost based on \$1 labor rate.

III. Maintenance and housekeeping:

Maintenance cost last year _____ Previous year _____

Maintenance cost ranking last year: Ranks _____ out of _____ in group.

Statement of condition of factor and equipment: _____

IV. Labor relations:

No. of grievances last year _____ No. to arbitration _____

Evaluation of negotiation performance: _____

V. Employee safety:

No. lost-time accidents last year _____

Accident frequency rate _____; Ranks _____ out of _____ in group.

Accident severity rate _____; Ranks _____ out of _____ in group.

General reaction to safety suggestions, ability to conduct safety meetings, etc.: _____

Figure 7 illustrates this combination approach, as used by Fairmont Foods. The "A" part of the form deals with the evaluation of performance where there are established standards against which the manager's performance can be rated. The "B" part deals with performance factors where there are no established standards. It can be agreed that both sets of factors are highly important to business success.

Figure 8 is the approach utilized by W. T. Grant, the national chain store. It can be noted that, although the approach is somewhat less empirical than the preceding method described, the coverage is quite thorough and subjected to degree differentiation. Five major areas have been identified for special appraisal atten-

tion—56 individual "trait" and "performance expectancy" factors are rated. This is illustrative of another approach to the combination rating approach now increasing in popularity.

Conclusions

The large majority of business firms rely solely on the judgment of a manager's superior for performance appraisal. Experience shows the margin of error inherent in this approach is too large to tolerate. Thus, forward thinking executives have moved their companies to more thorough and objective process of performance evaluation. In the process of evolution, the firm's move has been towards "trait" appraisal conducted by several persons—whether they act as a committee or independently. This a

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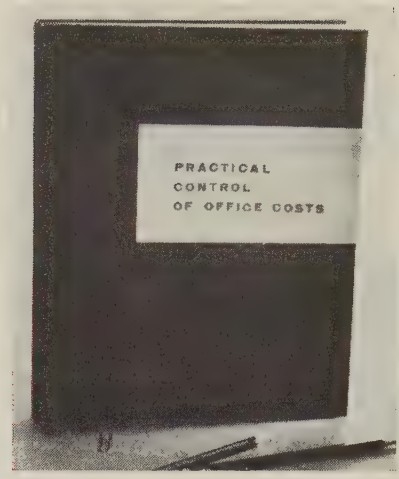
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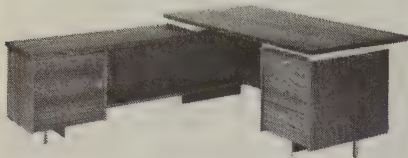
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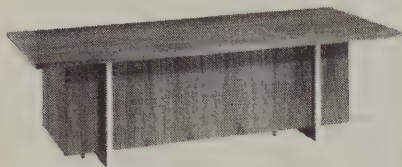
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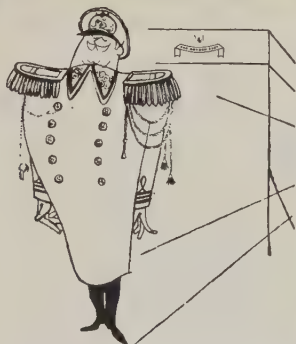
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proach rests upon the implicit assumption that:

"Every executive is composed of a mix of qualities or characteristics—complex and never quite duplicated in any other executive. Some are associated with work performance, some are mental, and some are personal.

"In individuals, certain of these characteristics are outstanding, the majority are average, and a number are weak. The promotability (or success) of an executive is determined by what qualities are outstanding and what qualities are weak."*

Thus, the trait approach seeks identification and appraisal of the characteristics and the mix of those characteristics which the executives possess. Having made this determination, this approach would say that a judgment could be made

*C. Wilson Randle, "HOW TO IDENTIFY PROMOTABLE EXECUTIVES," *Harvard Business Review*, May-June, 1956. page 123.

of both the manager's present position success as well as his potential for other and more advanced positions.

Like many other management functions, the end result is no better than the persons conducting the appraisal or levying the judgment involved. Possession on the part of the rater of the *ability* to rate in terms of adequate knowledge of subordinate behavior and personality traits and of the *willingness* to make discriminating judgment in intangible factors are two built-in hazards of this system. Although it is recognized that the trait evaluation approach is a significant improvement over the individual appraisal judgment by the person superior, further moves have been instituted to make the appraisal process more effective.

The next apparent step in the evolution of performance appraisal has been towards establishing specific empirical accomplishments goals against which the executive is

Figure 7.

PERFORMANCE EVALUATION

Name of Employee:		Branch:		Function: Sales	
Position Title:	Time on Present Position: _____ Years _____ Months	Age:	No. Emp. Supervised: Salaried _____ Route Sales _____ Other _____	Departments Supervised: _____	

1. Evaluation of Present Performance:

A. Established Performance Standards:

Actual present performance for manager's area measured by established reports.
(Check only factors applicable to employee's department):

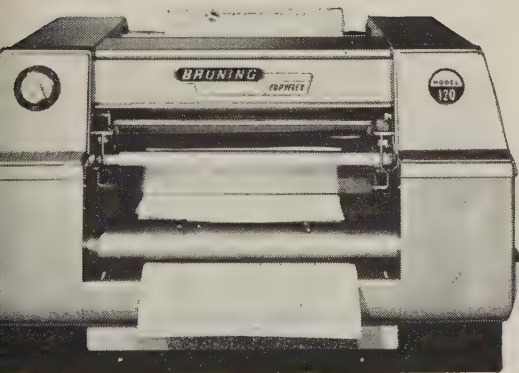
Factor	Established Report Source	Performance Norm	Performance Actual (for 12 mos.)
1. Average Performance Rating			
Supervisory Plan:			
Volume Factors Only			
Weighted Performance Rating All Factors			
2(a) Bad Debt Losses % Credit Sales			
(1) Wholesale			
(2) Retail			
(b) Past Due Outstanding % Total Sales			
(1) Wholesale			
(2) Retail			
Comments:			

B. No Established Performance Standards:

Actual present performance evaluation represents your judgment on employee's performance in following areas:

Factor	Check Column Which Best Describes Present Performance				
	Outstanding	Above Average	Average	Below Average	Poor
1. Job Knowledge					
2. Supervisory Performance					
3. Cooperation With General Office Marketing Departments					
4. Profit Consciousness					
5. Ability to Meet and Work With Customers					
Comments:					

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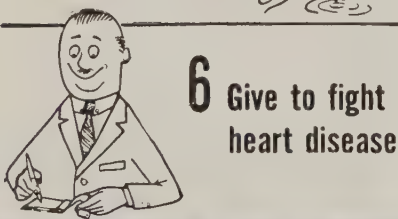
**2 Control
your weight**

**3 Get
enough
rest**



**4 Keep
physically
fit**

**5 Ease up—
and relax**



**6 Give to fight
heart disease**

HELP YOUR HEART FUND

HELP YOUR HEART



**For MORE WAYS
TO PROTECT
YOUR HEALTH
SEE PAGE 32.**

Figure 8.

RATING DETAIL

Consider each element on this page separately and independently. Check the block which best describes the employee or his work in terms of the following numerical classifications:

1. Outstanding
2. Above Average
3. Satisfactory
4. Below Average
5. Failing

PERSONAL QUALIFICATIONS

Rate the characteristics of the employee as reflected in his work during the period of time covered by this rating

	1	2	3	4	5
Job knowledge					
Judgment					
Evaluation of people					
Dependability					
Industry					
Stability					
Imagination and originality					
Promptness of work					
Initiative					
Self-expression					
Ability to plan & control					
Ability to delegate authority					
Cooperation					
Leadership					

OPERATION

Rate achievement of standards of store operation during the period of time covered by this rating.

	1	2	3	4	5
Stockroom operation					
Store maintenance & upkeep					
Office operation					
Credit operation					
Employment of new people					
Personnel placement					
Training of store personnel					
Community activities					
Expense control					
Customer service					
Shortage control					
Luncheonette operation*					

*Rate only if store has department

PERFORMANCE APPRAISAL

MERCHANDISING

Rate achievement of standards of store merchandising during the period of time covered by this rating

	1	2	3	4	5
Checking list ordering					
Ordering seasonal merchandise					
Reordering new items					
Ordering promotional quantities					
Liquidation of over-age merchandise					
Window display					
Newspaper advertising					
Counter layout and display					
Inventory control					
Control of markdowns					
Merchandising pricing					

PERSONNEL

(For managers with men-in-training)

Rate personal performance of training duties during the period of time covered by this rating.

	1	2	3	4	5
Follows up progress in training program					
Administers progress tests					
Assigns departments for needed experience					
Trains in all phases of operation					
Observes time-off policy					
Encourages management point-of-view					
Rates objectively					
Discusses ratings personally					
Delegates needed authority					

STORE FIGURES

Enter figures (or%) for the period of time covered by this rating.

	This year	Last year	District average
Sales increase			
Markdowns			
Shortage			
Gross margin			
Payroll			
Misc. Expense			
P. C. M.			
P. B. taxes			
Turnover			
Landed markup			

judged. This approach rests upon the "practical" conclusion that the traits a person possesses are rather irrelevant. What really counts are the *results* which the executive obtains—no matter his characteristics. Implementation of this approach requires a determination of the performance expectancies for an executive, the keeping of records adequate to measure performance against these expectancies, and counseling with the executive during the course of the performance as well as on a post-mortem basis to achieve continuing performance improvement on the one hand and, on the other, derive the causative factors behind performance success and/or failures.

As a matter of prevailing custom, only a small fraction of companies has moved to specific "work oriented" appraisals. However, the trend is strongly in this direction.

The third step in the evolution of executive performance appraisal is the utilization of both "trait" and "work oriented" performance expectancies in a single system. This has the advantage of providing some basis of "why" the executive has so performed and provides indication of his possible future growth and potential. This approach recognizes that considerable hazard is present in the conclusion "that a man does his present job well, so *ipso facto* he will do new and different job well," and acknowledges that knowledge of the contributing factors of demonstrated performance increases the batting average of predicting future success.

Using both trait evaluation and pre-set performance expectancies provides a balanced way of viewing the executive which overcomes many of the shortcomings present in other approaches. ■

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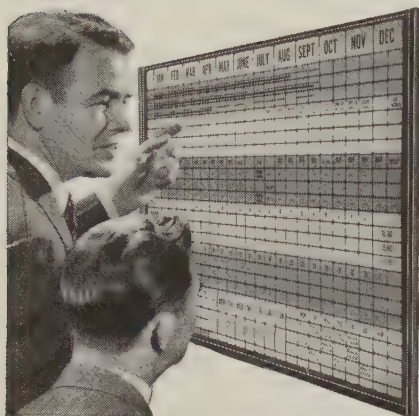
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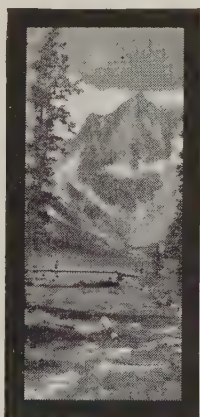
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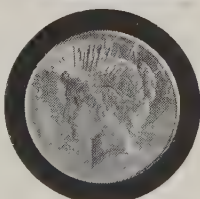
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Special enclosures to silence noisy office machines are available from Industrial Acoustics Co., Inc.

Called Noishield Acousti-Closures, the units control equipment noise at the source. Models are available for table mounted machines, such as adding machines and typewriters, and floor mounted equipment such as Teletypewriters and card sorters.

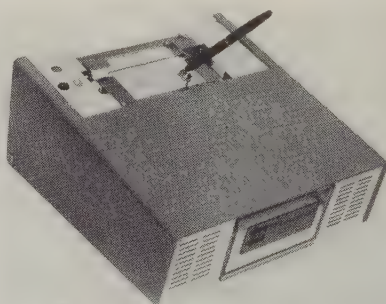
For an illustrated booklet on these machine enclosures, circle number 252 on the Reader Service Card.

COMMUNICATIONS

New, improved unit for sending handwritten messages by wire

Telautograph Corp. has improved its communication equipment for transmitting handwritten messages to remote locations by wire.

Until now, the sender had to write his message with a stylus on



As simple as writing a memo, user can flash written messages 50 miles away.

a metal plate. This awkward arrangement has been eliminated. The sender can now write directly on paper. In fact, the new Telautograph unit can produce an original and three carbons at the point of transmission, with an identical copy appearing at one or many distant receivers.

At present, transmission is limited to about 50 miles. However, with a new telephone soon to be introduced by International Telephone & Telegraph Corp., it will be possible to send handwritten messages by wire throughout the world.

The latest Telautograph sending unit has been designed down to a size of only 12 by 12 by 5½ inches. The company reports that its units can be leased and serviced for as low as \$20 a month.

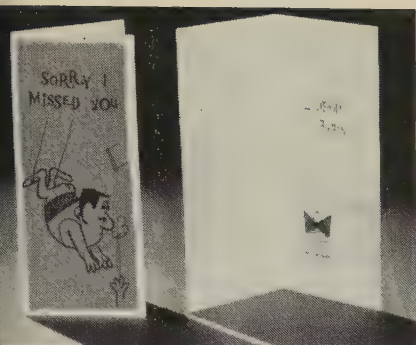
For more information on handwritten wire communications, circle number 254 on the Reader Service Card.

CUSTOMER RELATIONS

Send lighthearted cards to fit any sales call situation

Here's a new tool to help salesmen further cordial relations with prospects and clients. A series of five humorous cards have been designed by Exclusive Creations, Ltd. They fit almost any selling situation. Each can be personalized by simply inserting a business card in the slots provided.

One card lightheartedly paves the way for a sales call. Another has a rib-tickling thank-you for an in-



Greeting card reminds customer that salesman called while he was out.

terview. One is designed to amuse long-time customers; another expresses thanks to a brand new customer.

The series was designed and illustrated by Cartoonist Stan Fine, familiar to *Esquire* and *Post* readers.

Fifty cards, in boxed assortments or individual designs, cost less than 10 cents each.

For a free sample card, circle number 233 on the Reader Service Card.

ELECTRONICS

Production control network slashes downtime

A new production telecommunication control system is being marketed here by the Farrington Manufacturing Co.

Called the Productograph, it is already automating production control in more than 200 European plants with noteworthy results. For instance, average downtime at a Grundig plastics plant in Germany has been cut 86% after three years of operation under the system.

Here in the United States, both Holo-Krome Screw Corp. and Connecticut Bending & Stamping works report a 22% reduction in downtime after a year's operation under the system.

Nerve center of the system is the console receiver which automatically and instantly tallies operating

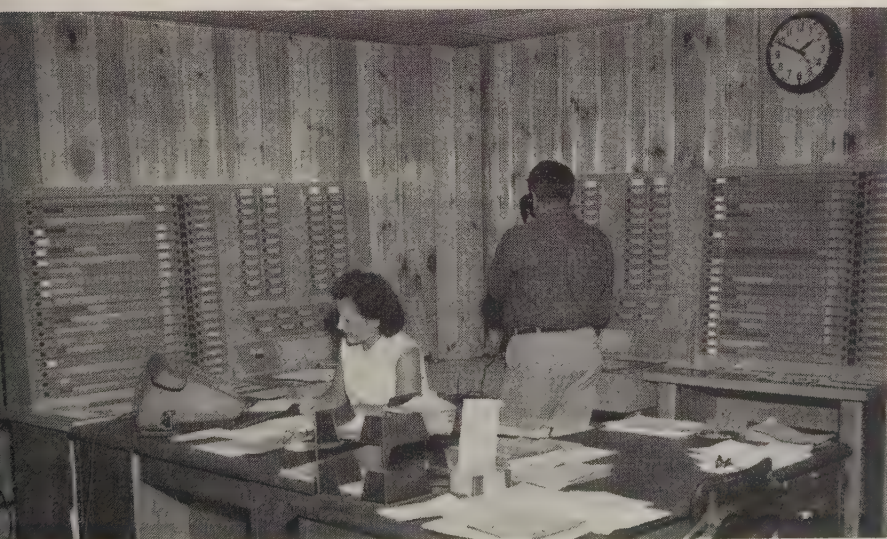
conditions and output of up to 200 machines.

Impulse transmitters relay continuous production data to the console center. Operating speeds, output, downtimes and stoppage causes are automatically recorded audio-visually on a graph and sound tape at the control center.

With Productograph as a constant monitor of precise operating conditions, the production control manager can plot schedules, anticipate downtimes and route supply materials and manpower.

Output of the system can also be fed directly into accounting equipment. For instance, incentive pay can be computed directly from data recorded on the Productograph console.

For technical details and applications for this advanced production control system, circle number 217 on the Reader Service Card.



Here, Productograph console monitors every second of the manufacturing cycle of 40 machines at Connecticut Bending & Stamping Works.

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getting up in the morning with the idea that you're going to take off excess pounds because your health depends on it.

It doesn't mean you have to start eating like a sparrow. It may mean cutting down from two to one chocolate malts a day—or a week. One highball before dinner instead of two. Not necessarily trimming all the fat off a steak, but trimming off half of it.

People make dieting complicated, or mysterious. It isn't either. If you are conscious of wanting to lose weight, you'll do it. I don't believe in going through life with your nose stuck in a diet sheet or a calorie chart. All you need is common sense, nothing else.

Q. What about crash diets?

A. Crash diets are, to say the least, silly. They are seldom if ever necessary. I say, if it took you 10 years to accumulate a spare tire around your middle, why try to take it off in 10 days? What's the

"Live a day at a time. Emphasize the immediate present and forget about the worries of the past and future."

hurry? Proper weight control isn't a question of feast and famine. That can be dangerous. Sound weight control means finding the level of food consumption that will permit you to lose ounces and pounds at a slow but steady rate, then hold your weight at the right level. This proper food consumption level will change slightly if your activities change, and will probably decrease as you get older.

Q. Isn't some exercise necessary to keep your weight down?

A. No, you don't have to exercise to keep your weight down. You know, you'd have to walk 36 miles to walk off one pound. I'd rather forego an extra ice cream sundae and sit in a hammock than have to walk those 36 miles. No, if you curb excessive eating you can bring your weight down and hold it down without exercise.

YOUR OUTLOOK

"Stop wondering and worrying about what other people think of you."

Q. Can the atmosphere a man works in influence his health?

A. Yes, but there is something more important. A man's environment—spelled with an "e"—is less important than his *in*vironment—spelled with an "i". In other words, the attitude and philosophy you create within yourself is far more important than the situation that has been created around you.

Above all else, develop the right kind of philosophy about your job and about your life as a whole. That's one of the keys to keeping your job from killing you.

It is perhaps a trite thought, but it's nonetheless true that an executive can eliminate much of the stress from his life by living a day at a time, by emphasizing the immediate present and forgetting about the worries of the past and future. That way you eliminate the

burden of the "ifs" and you find a lot of anxiety disappears. More anxiety disappears when you are able to stop wondering and worrying about what other people think of you.

By taking time to think out your own philosophy of life, you become a more natural person with honest humility and the ability to see yourself as being pretty insignificant when viewed in terms of the total scope of time and space.

Q. In other words, don't take yourself too seriously.

A. That's important—a sense of humor. Sometimes it takes a tragedy to cause a man to see himself in the proper perspective. Talk to a man who's had a heart attack and he'll often tell you he's gotten smart for the first time in his life. "I've been here for six weeks," he'll say, "watching that fly walk across the ceiling. It's given me time to think. I've been putting the emphasis in the wrong places, going after the wrong things. My whole outlook has changed now."

Often those vacations we were talking about serve the same purpose. They give a man time to think—to see things in a new way while he's stretched out on the beach and the other fellows are struggling along in the office. He gets himself in focus; he sees that he's not indispensable and that everything won't go to the dogs if he isn't there banging away every minute. He discovers that he can be of more value to himself and his company if he isn't tied up in the middle of things every minute. Give me the relaxed executive and you give me the efficient one.

A man who gets too wrapped up in his job can't get along well with others because he becomes too self-centered. He becomes egocentric. You can't do that and be a good executive. A real executive has to take time out to understand other people, know what their feelings are, what their fears are, what their anxieties are. On a long term basis you can't be a good executive un-

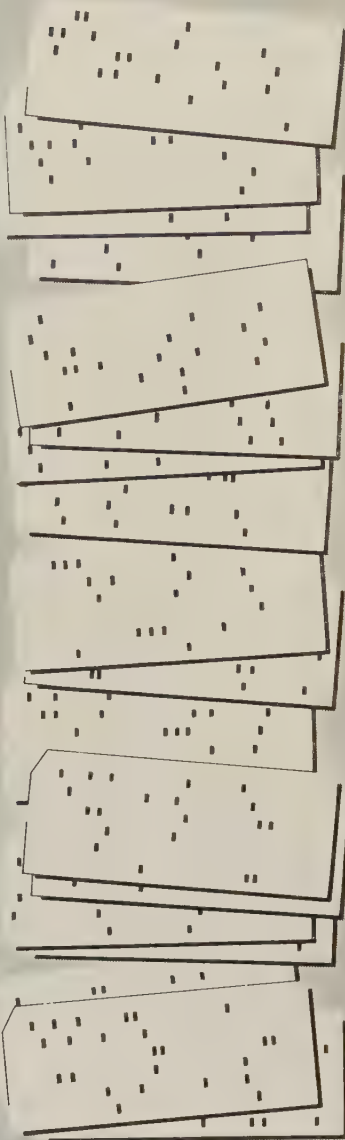


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PART TWO of this interview article will appear next month. In it, Dr. Steincrohn will deal with these topics:

Pros and cons of executive drinking

A way to get a new surge of physical energy

How coffee can determine your wellbeing

How your wife can guard your health

What a complete physical exam includes

When and how to retire

Two symptoms that signal danger

less you're a good human being, too.

Q. This anxiety you mention—is that another word for fear?

A. There is a distinction. Fear is sudden; it makes your heart beat faster and your mouth dry. Anxiety is a prolonged feeling of fear on a far lower level.

An executive with anxiety is running scared in his job. He doesn't have the confidence to do what he thinks should be done and let the chips fall. This kind of anxiety, incidentally, is one reason why some executives refuse to take a vacation. They say they don't want to go away because they love their work, but if you talk to them long enough, they'll sometimes admit that it's really because they're afraid to leave.

Another major cause of anxiety among executives is worry over health. Some executives have actually destroyed their health by worrying over ailments which didn't exist. They could have eliminated all of their anxieties if they'd been willing to face the music and get a checkup. A man may have a slight murmur in his heartbeat. He

imagines it's heart trouble, so he goes through life treating himself like an invalid; he literally worries himself sick with an imaginary ailment, when a checkup could have dispelled all his fears.

SLEEP

"A sleeping pill can do a world of good for the executive under tension."

Q. Some executives can't sleep because of their anxieties and worries. What should they do? Can they just stop worrying?

A. I've never told a patient to stop worrying, because none of us can stop worrying. Unless a man's a moron, completely devoid of brains, he'll worry about his unresolved problems.

It isn't possible to stop worrying, but it is possible to worry less. You don't have to let your worries destroy your sleep or appetite, or push you to excessive smoking or drinking. Again, it's a question of

developing the right kind of philosophy or outlook.

Q. But suppose a man does suffer from insomnia even though he tries to worry less. What can he do about it?

A. Many executives resist the idea of sleeping pills. They just don't like the idea or they are afraid the pills are habit forming.

Under a doctor's prescription, sleeping pills for a week or so can do a world of good for an executive under heavy tension. If he has a tough problem and tries to wrestle it day and night, his nerves will become frazzled, creating more tension. Sleeping pills can get him over the rough spot.

I emphasize that I'm talking about taking sleeping pills under a doctor's prescription only—and not getting the prescription re-filled on your own. Taken for a short time, the right kind of sleeping pills will not be habit forming, but taken over a long period of time, they could be. I've known executives who have begun to depend on them, and have gotten into trouble. Sleeping pills, like any other medicine, must be handled with care if they are to provide the most good.

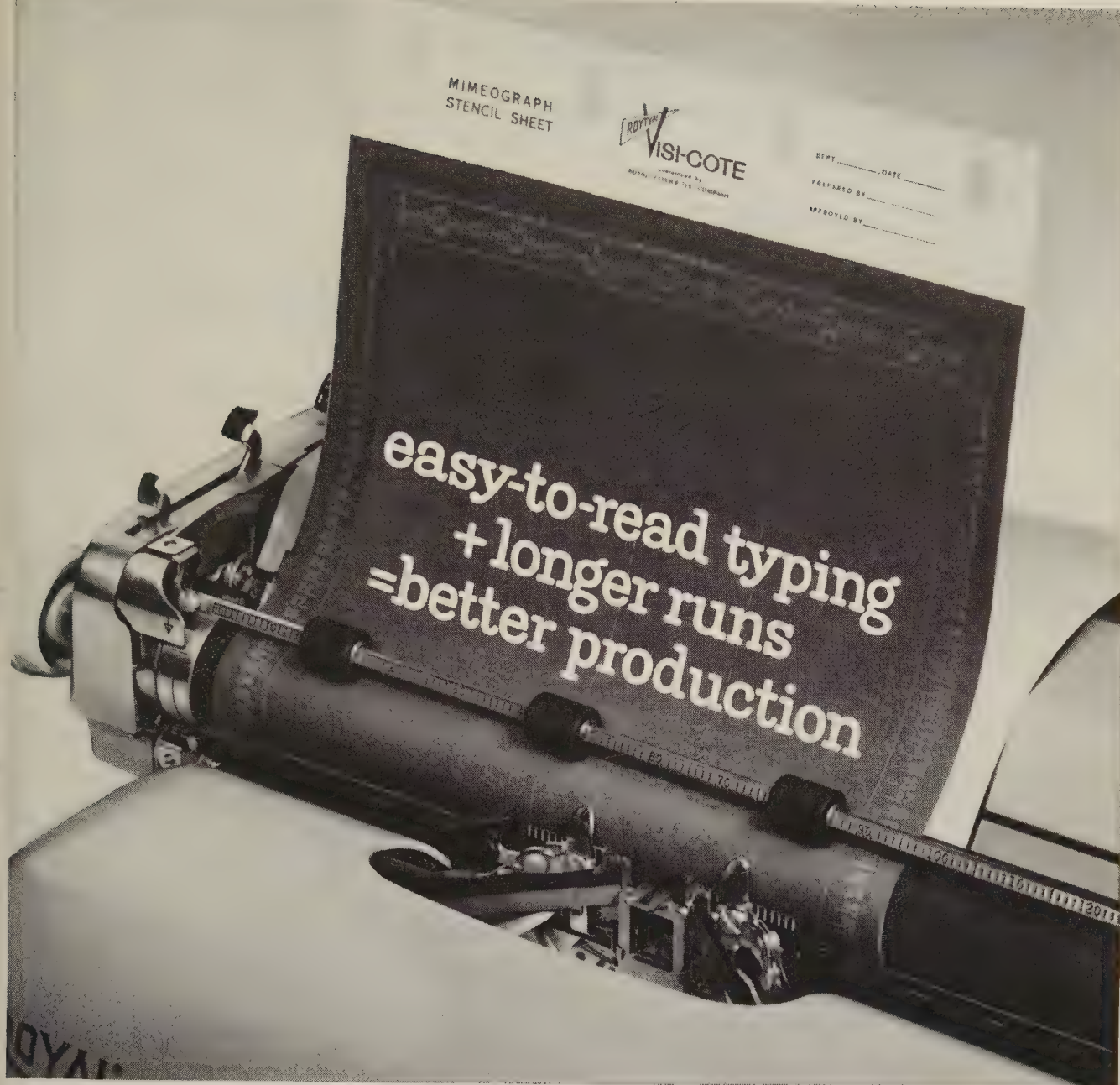
Q. The sleeping pill at night and the pep pills in the morning?

A. Right. But used properly and without excess, sleeping pills can do an executive a world of good.

Let me make one more point about insomnia: if you can't lick it, join it. If you can't sleep, don't spend the night wrestling with yourself—you'll be a wreck the next day. It's better to get up and read, shave, or take a walk around the block if necessary. You may feel tired the next day, but not as tired as you would if you fought with yourself all night.

Q. What's the minimum number of hours of sleep necessary for a busy executive?

A. Requirements differ. Some people can keep their health for a lifetime with only six hours sleep a night. The trouble is, when some people boast of needing only a little sleep, others think they should be able to get along on six hours too. But they can't. A man has to determine his own sleep needs, whether it be six, eight or 10 hours. ■



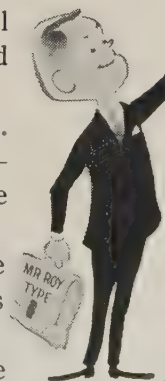
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You can set up a payroll deduction plan to ease the way for employee participation in charity drives.

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You can contribute your own products to agencies who need them. You can donate your products as prizes for charity sponsored events.

Merchandise gifts to health and welfare agencies are particularly advantageous. At a modest portion of market value, you can supply charitable or educational groups with needed materials.

To spur community or employee donations, you can offer to match, double or triple their total contributions. As an example, Ford Motor Co. this year is giving \$2 for each dollar of employee contributions up to \$2,000 for private schools. Since 1955, General Electric Co. has matched employees' donations to their alma maters. At IBM where a matching plan was started in mid-1959, John C. Steers, manager of corporate support programs, reports each quarter has swelled employee donations. Chase Manhattan Bank matches all employee gifts of over \$10 to any accredited school.

Until just a few years ago there were only a few firms with alumni-employee matching plans. The device has proved so successful in securing contributions that 105 corporations now have adopted variations of the plan, the American Alumni Council reports.

Private versus United Funds

Specialization in industry has been accompanied by a like specialization in charitable organizations. While this pinpointing of purpose admittedly boosts number of agencies and administration costs, it does assure channeling of company gifts to specific projects tailored to corporate aims and interests. Further, specialization of philanthropy gives assurance that funds will be spent by experts in the individual field. Thus the donor will get the most for its money.

To offset the swelling army of fund raisers in this age of specialization, recent years have seen the

rise of United Appeals or Community Chests. This banding together of causes economically consolidates solicitation and distribution of funds. Also, it offers small charities with few facilities and personnel an efficient means to secure needed funds.

A wide majority of companies

POINTS TO REMEMBER WHEN YOU DONATE

1. Budget a definite sum
 2. Handle it through a committee
 3. Set guides to measure worthy charities
 4. Spell out charitable areas in which you are interested
 5. Determine how much is enough
 6. Figure what you can give besides cash
 7. Weigh private vs. United Funds
 8. Make rejections polite
 9. Publicize your donations
-

has supported this idea of one-for-all fund drives. For instance, 72% of companies with more than 1,000 employees, questioned in one survey, gave to the local Community Fund. This figure drops off to 50%, however, as size of the company decreases to under 100 employees.

On the other hand, some companies bar "united" giving. To them lumped gifts obscure personal sense of participation and satisfaction, besides minimizing or omitting specific charities.

Most givers acknowledge advantages of both joint and individual agencies by including both the Community Chest and selected, individual causes in their contribution list.

Consider foundation benefits

There's a growing trend toward setting up company sponsored foundations. With a foundation, contribution activities can be handled almost independently of the company.

Besides the mammoth funds,

such as Ford, Carnegie and Rockefeller, philanthropic foundations are being utilized by small, closely held companies. Besides facilitating company philanthropy, experience shows that foundations have a favorable influence on taxes and other company financial matters.

A detailed report on foundation policies and practices, *A Study of Company Sponsored Foundations* by Frank M. Meadows, can be obtained from the Russell Sage Foundation, 505 Park Ave., New York.

Make rejections palatable

Of necessity, your company will probably have to turn down many appeals for donations. The number of fund raising agencies has skyrocketed in recent years. There are, for example, a total of 275 approved charities actively soliciting funds in one major city.

You can create goodwill—or ill will—by the tone of your rejection. Where a refusal is thoughtful, acknowledging worth of the cause, it can often reap more goodwill than a small contribution or even a large one given in a patronizing or resentful manner.

Get full value

A sound, adequate contribution policy can be the source of a considerable amount of favorable publicity. Despite this, most companies neglect philanthropy as a legitimate public relations tool.

The general public, surveys show, has little if any awareness of the scope of corporate giving.

Outside of top management, personnel in many firms have no direct knowledge of company donations. Stockholders, too, are relatively little informed on the subject.

To gain all the goodwill a generous program deserves, it's up to you to tell these various groups of your gifts. Send news releases to the press. Translate what your giving means in terms of benefits to the community, the public and to the system of free enterprise. Explain your contributions in stockholder reports and in your company house organ.

Judicious publicity will enhance your corporate image as a good citizen and as a progressive company. It will develop employee pride and build your reputation with customers and suppliers. ■



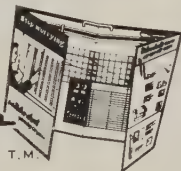
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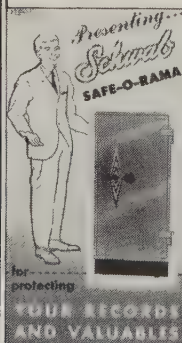
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Offbeat hiring

continued from page 43

a real sensation as far as Servo was concerned. Reports even told of engineers taking the record to work to play for other engineers.

With production, narration, pressing and the agency's creative charges, cost of the record was \$3,600.

Included with the record mailing was a data sheet for engineers giving details on how the record was cut and the type of equipment used. A printed invitation to arrange for a personal interview rounded out the package.

Profit sharing booklet. Final across-the-board mailing, sent two weeks after the jig-saw puzzle, was a 16-page booklet entitled: "It's all yours: facts about your Servo Profit Sharing and Benefit Plan." The booklet was attractively designed, and easy to read. It provided simple, short answers to common questions about profit sharing. Total cost of the booklet was \$2,700.

The mailing included a second offer of the hi-fi record and, again, an invitation to contact Servo's personnel director. Mailing cost, including agency fees, was \$1,000.

A typical reaction

But how did this campaign appeal to Servo's "prospects"? Here's one typical reaction, from an engineer Servo hired.

"As I remember, the approach [jig-saw puzzle] was a teaser. I was intrigued enough to open the envelope. When I first saw the puzzle, I thought it was a little childish. However, my wife and I were curious enough to put it together. I didn't request an interview then, but I did send for the record.

"As far as I'm concerned, the record was the real salesman. It gave the kind of information I wanted to know about the company. It also fascinated me technically. Frankly, I didn't believe a square wave could be cut on a record, so I checked it off on a scope to see. I was impressed by the clean square wave I saw. The record prompted me to call for an appointment.

"Later, when I saw the profit sharing booklet, it reinforced my earlier decision to go with Servo."

Did Servo live up to the promises it had made about itself? As this engineer recalls, "They stated their

case honestly. There was no overstatement anywhere along the line."

Employee reaction

Servo employees did not view this "blitz" recruitment as a threat to job security.

Says one senior engineer, "We needed help badly. We welcomed this vigorous effort to obtain additional engineers so that we could meet our growing commitments. And several of us here were honestly intrigued by the novelty and ingenuity of the program."

This program was also useful in strengthening employee relations.

While Smith, Winters, Mabuchi, Inc. was gathering information for the recruitment campaign, it learned that an internal communications job had to be done, too. Few employees knew the specific details of the profit sharing plan.

That's because the details of the plan were first presented to them in a forbidding-looking document, with technical terms that were hard to comprehend.

The booklet, on the other hand, gave pertinent information quickly, clearly and concisely.

Why use this method?

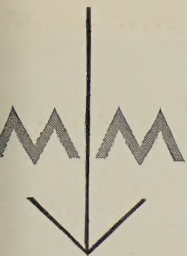
Servo Corp.—with an original approach to hiring—netted 30 top-flight engineers in one of the country's tightest hiring markets. The return on recruitment "ads" was high. The cost was low.

Recruitment is a thorny problem. Most companies face it with some misgivings. Usually the need is urgent, the time is short and the money is limited. And, many firms use the same orthodox approaches. It's tough to stand out individually and the competition is fierce.

Here are the key steps Servo used to set itself apart.

- Developed a profile of the man it wanted.
- Pinpointed an area where there was a wealth of this kind of talent.
- Used directories to find these men.
- Used an unorthodox approach to contact them.
- Appealed to their "prospects" interests as people.
- Tied the campaign to timely event of interest.

Practically any company—regardless of size or type of operation—can use this kind of technique to capture the talent it needs. ■



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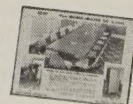
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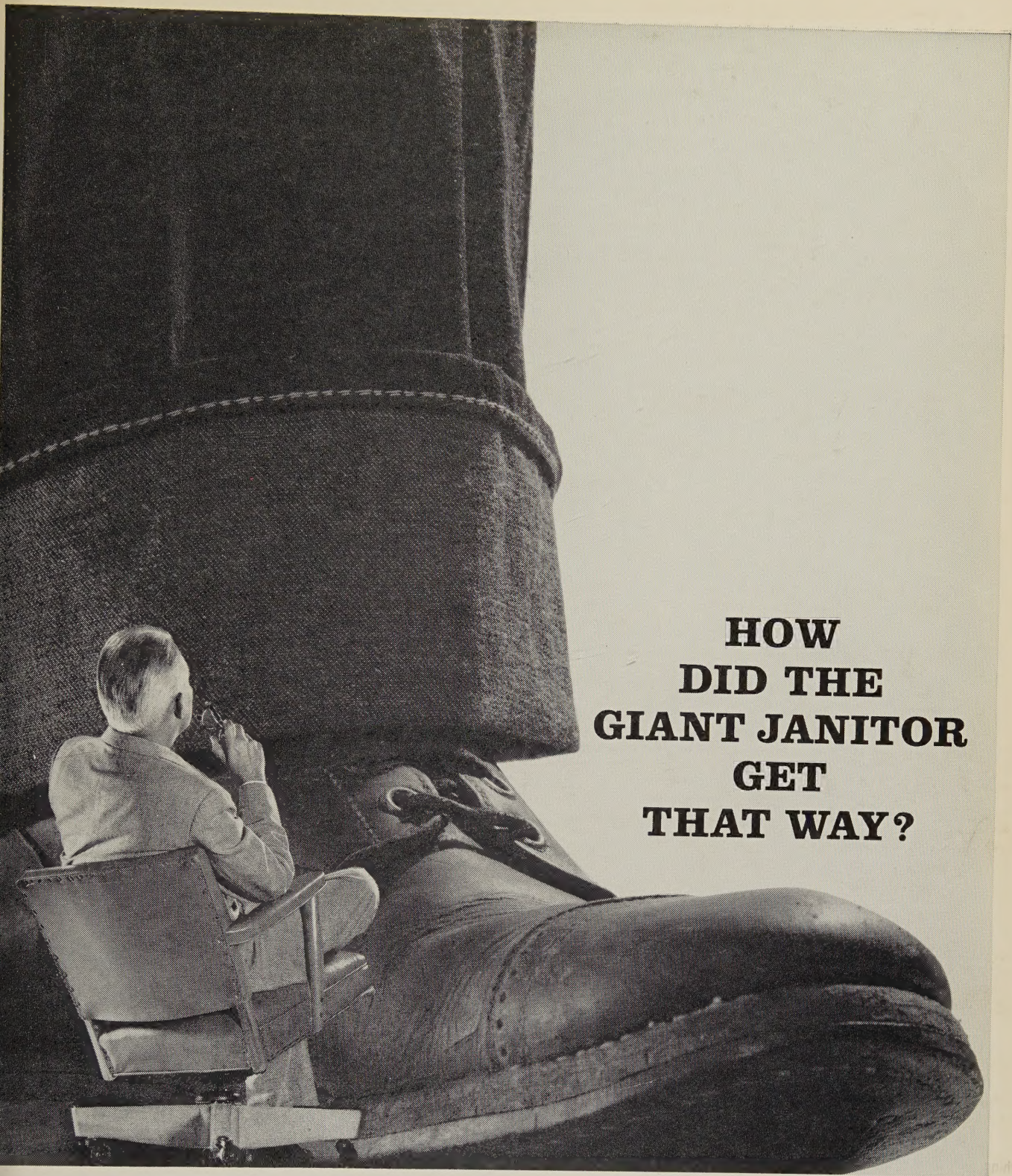
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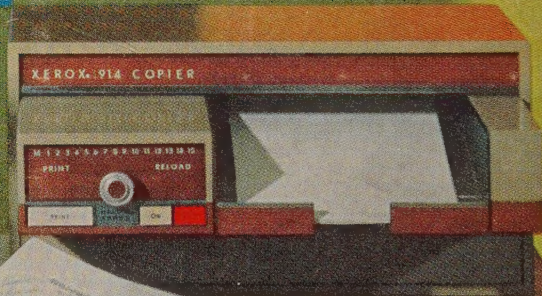
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